



Australian Government

Department of Home Affairs

Annual Report

2017–18

DEPARTMENT OF HOME AFFAIRS

Annual Report

2017–18

The Home Affairs Portfolio

Prosperous • Secure • United

Prosperous: Through our unique capabilities, powers and activities we contribute to Australia's prosperity by enabling a globally connected and open economy and society.
Secure: Together we will protect Australia and Australians from key national security and criminal threats.

United: We celebrate Australia's multicultural society and safeguard our democracy by building community resilience and engendering respect for Australia's shared values and institutions, our way of life and the rule of law.

Home Affairs at a glance

Vision

A secure Australia that is prosperous, open and united.

Mission

Work together with the trust of our partners and community to keep Australia safe and secure, and support a cohesive and united Australia open for global engagement.

Portfolio structure

As at 30 June 2018, the Home Affairs Portfolio consisted of:

- » The Department of Home Affairs
- » The Australian Border Force
- » The Australian Transaction Reports and Analysis Centre
- » The Australian Security Intelligence Organisation
- » The Australian Federal Police
- » The Australian Criminal Intelligence Commission
 - » Includes the Australian Institute of Criminology

The Department of Home Affairs and Australian Border Force

Role

The Department of Home Affairs is responsible for centrally coordinated strategy and policy leadership in relation to domestic and national security arrangements, law enforcement, emergency management, counter-terrorism, social cohesion, the protection of our sovereignty and the integrity of our border, and the resilience of our national infrastructure.

The Department of Home Affairs also delivers services including strengthening the cohesiveness of Australian society through our migration program. We will manage and assist temporary and permanent migrants and those people participating in humanitarian and refugee programs, and confer citizenship.

The Australian Border Force, an operationally independent body within the Department of Home Affairs, is Australia's frontline border law enforcement agency and Australia's customs service. The Australian Border Force delivers critical border protection and national security outcomes while facilitating the movement of people and goods across the border. The Australian Border Force's mission is to protect Australia's border and enable legitimate travel and trade.

Authority

The Secretary of the Department of Home Affairs, Michael Pezzullo, is the accountable authority for both the Department and the Australian Border Force under the Public Governance, Performance and Accountability Act 2013. The Commissioner of the Australian Border Force, Michael Outram APM, is a statutory appointee and leads the operational functions of the Australian Border Force. The approach, which is supported by legislative and administrative arrangements, encompasses the individual and joint responsibilities and accountabilities of the Secretary and the Commissioner of the Australian Border Force.

Strategy

The Department's work aligns to three key strategy documents:

- 1) The Blueprint for Home Affairs
- 2) ABF Realising our Full Potential
- 3) The Home Affairs Corporate Plan 2017–18

Values

The Department of Home Affairs and the wider Portfolio gives all an opportunity to build on the shared values of our people, the professionalism with which we conduct ourselves and the pride we have in our organisation.

As public servants, we each have a personal responsibility to uphold the APS Values, be accountable and uphold the trust bestowed upon us by the Government and the Australian people. Collectively, we will ensure the safety and wellbeing of the workforce and clients in all that we do.

Our people

As at 30 June 2018, the Department of Home Affairs, including the Australian Border Force, had 14,416 employees. More information can be found in Part 6: Management and Accountability.

Where we work

As a global organisation, the Department and the Australian Border Force bring together 14,416 staff based in Australia and across 62 locations around the world.

Reader's guide

This is the annual report from the Secretary of the Department of Home Affairs and the Commissioner of the Australian Border Force (ABF) to the Minister for Home Affairs for the financial year ended 30 June 2018.

It is the first annual report published since the Department's establishment on 20 December 2017. The report covers the performance of the Department of Home Affairs and the ABF, which is established within the Department of Home Affairs for budgetary, employment and administrative purposes, but is operationally independent.

Report structure

The report structure reflects the recent establishment of the Department and an overview of each part is provided below. In addition, the report has been prepared in accordance with the Department of Finance's Resource Management Guide No.135 Annual reports for non-corporate Commonwealth entities, issued in May 2017.

The eight parts of the report are:

Part 1: Overview

Part 1 contains a review of the year by the Secretary of the Department of Home Affairs and the Commissioner of the ABF, including significant achievements, developments, performance against objectives and financial performance. It also provides an overview of the Department and the ABF, their roles, functions and organisational structures.

Part 2: Annual performance statement

Part 2 reports on the Department's results against performance criteria outlined in corporate documents from entities that had functions for which the Department of Home Affairs became responsible. This includes reporting of performance measures in the *Department of Immigration and Border Protection Corporate Plan 2017–18*, *Department of Immigration and Border Protection Portfolio Budget Statements 2017–18*, and the *Department of Immigration and Border Protection Portfolio Additional Estimates Statements 2017–18*.

It also includes reporting of performance measures for functions moved into the Department from the Attorney-General's Department (AGD) and the Department of Infrastructure and Regional Development, which were contained in the previous agencies' 2017–18 corporate plans. In the transferring of functions from the Department of Social Services and the Department of Prime Minister and Cabinet, no formal performance measures from these Department's corporate plans were transferred. Performance related to multicultural affairs functions transferred from the Department of Social Services has been reflected against relevant Department of Immigration and Border Protection key performance indicators. Functions transferred from the Department of Prime Minister and Cabinet are covered in Part 3: Building Home Affairs.

Part 3: Building Home Affairs

Part 3 contains an overview of the establishment of the Department of Home Affairs, and highlights the work of recently transferred functions that do not presently have formal performance measures, including Cyber Security, Counter-terrorism, Commonwealth Transitional, Serious and Organised Crime, Critical Infrastructure and National Counter foreign Interference.

Parts 4 and 5: Report on financial performance and financial statements

Parts 4 and 5 contain discussion and analysis of the Department's financial performance, including the functions that were subject to machinery-of-government changes, audited financial statements and a report by the Auditor-General.

Part 6: Management and accountability

Part 6 provides information about the Department's governance framework, fraud and risk management arrangements, external scrutiny, workforce planning, human resources and purchasing. It also includes information about workplace health and safety, support for small business, procurement initiatives, client services, advertising and market research, ecologically sustainable development and environmental performance, and grants programs.

Part 7: Appendices

Part 7 provides supplementary information, including the Years at a Glance statistical table, corrected minor errors from the 2016–17 annual report, tables relating to the report on financial performance, information on legal services expenditure, and information on the operation of the Office of the Migration Agents Registration Authority (OMARA) and the Information Publication Scheme.

Part 8: Reference material

Part 8 comprises a list of abbreviations and acronyms, a glossary, the list of requirements under the *Public Governance, Performance and Accountability Rule 2014* and the alphabetical index of contents.

Letter of transmittal



Australian Government

Department of Home Affairs

The Hon Peter Dutton MP
Minister for Home Affairs
Parliament House
Canberra Act 2600

The Hon David Coleman MP
Minister for Immigration, Citizenship and Multicultural Affairs
Parliament House
Canberra Act 2600

Dear Ministers,

We are pleased to present the *Department of Home Affairs Annual Report 2017–18* for the reporting period ending 30 June 2018, as is required by subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013*.

The report has been prepared pursuant to the requirements for annual reports approved by the Joint Committee of Public Accounts and Audit and as prescribed in the Public Governance, Performance and Accountability Rule 2014 (the Rule).

I, the Secretary, as the accountable authority, certify that the Department has prepared fraud and corruption risk assessments and a fraud and corruption control plan that comply with the requirements of section 10 of the Rule. We have fraud prevention, detection, investigation, reporting and data collection procedures and processes in place that align with the requirements of the *Commonwealth Fraud Control Framework 2017*.

We have taken reasonable measures to minimise the incidence of fraud within the Department and to investigate and recover the proceeds of fraud against the Department.

Yours sincerely

Handwritten signature of Michael Pezzullo in black ink.

Michael Pezzullo
Secretary
Department of Home Affairs

Handwritten signature of Michael Outram APM in black ink.

Michael Outram APM
Commissioner
Australian Border Force

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Part 1

Overview

About the Portfolio

On 18 July 2017, the Prime Minister announced that the Australian Government would establish a Home Affairs Portfolio.

The Home Affairs Portfolio brings together the Department of Home Affairs, the Australian Border Force (ABF), the Australian Federal Police (AFP), the Australian Criminal Intelligence Commission (ACIC (including the Australian Institute of Criminology)), the Australian Security Intelligence Organisation (ASIO), and the Australian Transaction Reports and Analysis Centre (AUSTRAC).

The Department of Home Affairs includes the entirety of the former Department of Immigration and Border Protection and functions that came from other Departments relating to multicultural affairs, emergency management, transport security, transnational serious and organised crime, criminal justice policy, national security and counter-terrorism coordination, cyber policy, and countering foreign interference.

The Portfolio is structured to maintain the statutory independence of portfolio agencies, while ensuring the external accountability and oversight arrangements are appropriately retained, and our departmental and agency powers are exercised proportionally and lawfully. The ABF, while established within the Department of Home Affairs for budgetary, employment and administrative purposes, is operationally independent.

The Home Affairs Portfolio works with partners to protect the safety, security and national interests of Australia through the strategic alignment of priorities and responsibilities against the many threats to Australia's national security. The Portfolio plays a strong role in facilitating Australia's prosperity. Modern migration and trade settings will ensure that Australia remains economically competitive in an environment of increased global flow of people, goods and information. We will continue to be the trusted global gateway to ensure that Australia is prosperous and economically competitive and enjoys a cohesive and united society.

The Portfolio brings together the strengths of each individual agency in a synthesis that is stronger than any constituent part could be. The Portfolio is structured to benefit from the collaboration and alignment of sustained joint-agency effort. Through even closer cooperation and sustained joint activity between our national security and law enforcement agencies, including federal, state and territory government agencies, the Portfolio will continue to coordinate and drive national efforts against terrorists, criminals and others who wish to harm the Australian community.

As independent entities under the *Public Governance, Performance and Accountability Act 2013*, ACIC, AFP, ASIO and AUSTRAC produce individual annual reports. The ABF's performance measures are reported as part of the Department's annual report.

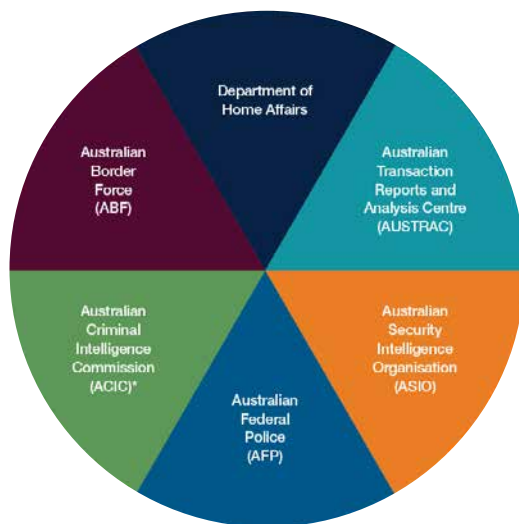


Figure 1 – the Home Affairs Portfolio

Ministerial responsibilities for the reporting period (1 July 2017 – 30 June 2018)

Before the Home Affairs Portfolio was established on 20 December 2017, The Hon Peter Dutton MP was Minister for Immigration and Border Protection and the Hon Alex Hawke MP was the Assistant Minister for Immigration and Border Protection.

Changes in ministerial responsibilities during the reporting period

On 20 December 2017, a new ministry was sworn in after the Home Affairs Portfolio has been established, with The Hon Peter Dutton MP sworn in as the Minister for Home Affairs and the Minister for Immigration and Border Protection, The Hon Alan Tudge MP as the Minister for Citizenship and Multicultural Affairs, The Hon Angus Taylor MP Minister for Law Enforcement and Cyber Security, and The Hon Alex Hawke MP as the Assistant Minister for Home Affairs.

Secretary's review

This is the first Annual Report of the Department of Home Affairs which was established on 20 December 2017.

The creation of the Home Affairs Portfolio is one of the most significant reforms in national security over the last four decades. Its formation recognises that while Australia prospers significantly from being open, engaged and connected to the rest of the world, we also need to identify and attend to vulnerabilities that arise from this connectedness so that Australia continues to reap the benefits of globalisation.

This is reflected in Home Affairs' mission, which is; to contribute through the unique capabilities, powers and activities of the Portfolio to an Australia that is prosperous, secure and united.

The stand-up of the Home Affairs Portfolio was completed in 2017-18. This included enacting machinery of government changes that brought together functions from five different departments, as well as delivering the first integrated Portfolio budget in May 2018.

During the first six months of operation the Department of Home Affairs has initiated activities and new policy work that will form the building blocks to facilitate achievement of our mission. The establishment of two new Commonwealth coordination functions for Transnational, Serious and Organised Crime and Counter Foreign Interference will be critical enablers which assist the Department to enhance the coordination and alignment of Commonwealth efforts addressing these significant threats.

The Commonwealth Transnational, Serious and Organised Crime Centre, is headed by a Coordinator who is a serving Deputy Commissioner of the Australian Federal Police. The Coordinator reports to the Secretary of Home Affairs on matters of strategy and policy, and the Commissioner of the Australian Federal Police on operational matters. The Coordinator leads national efforts to combat the serious and rapidly evolving threat posed by transnational serious and organised crime, including child exploitation, money laundering, and illicit drugs and firearms.

The Centre works closely with the states and territories, as well as a range of other domestic and international partners, to focus collaborative efforts on deterrence, detection, disruption and prosecution to keep Australians safe. The Coordinator is also overseeing the establishment of the Australian Centre to Counter Child Exploitation, which will support national efforts to combat the global epidemic of child abuse by bringing together specialist skills and experts to prevent and pursue child exploitation.

The National Counter Foreign Interference office has also been established within the Department. The office is headed by the National Counter Foreign Interference Coordinator who works across the Home Affairs Portfolio to develop whole-of-Government strategies to counter foreign interference that threatens Australia's sovereignty, values and interests.

Throughout the year, the Commonwealth Counter-Terrorism Coordinator has also been working on strategies to ensure that those who travelled to the Middle East to fight with or support terrorist groups in recent years are dealt with as far from our shores as possible, and to ensure that where there is a lawful right of return it is with forewarning and into the hands of law enforcement and security agencies.

The Department's Cyber Security Policy Division, which reports to the National Cyber Security Adviser, has been co-located with the operational staff of the Australian Signals Directorate's Australian Cyber Security Centre, providing for improved coordination between policy and operational activities. It is also supporting collaboration to address the interconnected nature of cyber threats—particularly as they relate to foreign interference, cybercrime, protecting critical infrastructure, and securing Australian Government systems and networks.

Reflecting the priority on working cooperatively with States and Territories, the Department has established the Criminal Justice and Law Enforcement Forum of Commonwealth agencies, including the Attorney-General's Department and the Australian Taxation Office. This forum ensures we are bringing together the Commonwealth's collective capabilities to bear against capable and well-resourced organised crime syndicates.

Through Home Affairs, community engagement officers previously working for a range of agencies have been brought together. This has improved cooperation at a national and local community level—with those working in the digital and education sectors, corrections, multicultural and youth affairs, and the mental health profession—to progress a range of countering violent extremism initiatives.

The Department has refocused its Regional Director roles across Australia to drive closer engagement with multicultural community leaders. Regional Directors are supported by a network of community liaison officers located in all State and Territory capitals. This arrangement will provide a new conduit to explore initiatives which can help connect and unify communities to strengthen Australia's social cohesion.

The Home Affairs' Critical Infrastructure Security Division has worked closely with industry, States and Territories, and the telecommunications sector to facilitate a common understanding of obligations under the new *Security of Critical Infrastructure Act 2018*. The Act introduces new measures to protect national assets in the electricity, water, gas and ports sectors from espionage, sabotage and coercion.

The Aviation and Maritime Security Division, building on the work of the former Office of Transport Security, has commenced implementing a range of initiatives to strengthen security at our airports, mail and air cargo facilities. This includes upgrading old, and rolling-out sophisticated new screening technology at Australia's major and regional Australian airports.

A national resilience task force has also been established to take a whole-of-Government approach to the way in which Australia prepares for intensifying natural hazards. The task force will work closely with States and Territories, industry and communities to improve the resilience of our critical infrastructure, economy, cities and regions.

The Department continued to provide critical support to Operation Sovereign Borders. Sustained efforts in 2017-18 saw only two vessels intercepted and all people on-board returned to their country of origin or departure.

The Department made significant progress in resolving the legacy caseload of illegal maritime arrivals following the Government's 1 October 2017 deadline for people to apply for assessment of their asylum claims. Of the 32,414 illegal maritime arrivals that were in Australia with unresolved status after the implementation of Operation Sovereign Borders in September 2013, 65 per cent of applications (21,076 cases) had been decided as at the end of 2017-18 financial year.

The Department delivered Australia's migration program within the Government ceiling of 190,000 places. In 2017-18, 162,417 migrants were welcomed under the program. The Department maintained a strong focus on integrity checking of visa applications to ensure quality over quantity, and did not lower standards in order to reach the ceiling. A more rigorous focus on visa integrity resulted in overall refusals in 2017-18 (based on character, fraud, identity and other grounds) increase by 46 per cent on the previous year, while withdrawals increased by 17 per cent.

The Department of Home Affairs delivered the Australian Humanitarian Program with 16,250 permanent resettlement places offered to refugees this year. Australia remained among the world's top permanent resettlement countries, with as few as 30 countries offering planned annual programs.

A new Temporary Skill Shortage visa was introduced during 2017-18. The new visa is designed to ensure Australian workers have priority, but enables businesses to access critical skills where they are not otherwise available locally. Processing times for the new TSS visa are considerably shorter than earlier visa types, with processing times over 28 per cent quicker.

The Department continued to make it easier for clients to lodge and transact with the Department. Online visa lodgement is now available to applicants from Australia's two largest cohorts—China and India—including for visitors and student visas. In 2017-18, this focus saw 90 per cent of all visa applications lodged electronically (up 8 per cent from 2016-17) and 71 per cent of applications for citizenship by conferral were lodged electronically (up 15 per cent from 2016-17).

Supporting the overall integrity of the visa program and the quality of applicants, Home Affairs continued to develop its visa intelligence and security capability to better manage applications. This involves applying the latest technology, analytical tools and intelligence techniques across our data holdings to enhance the identification of threats and risks within Australia's immigration program. Through the new approach, the Department is able to identify changes in a visa holder's circumstances which may indicate a heightened risk—and allow intervention when necessary. This will concurrently increase confidence and speed in decision making.

The Department provided support to enable the ABF to undertake its operational functions. This saw a record numbers international air and sea travellers processed in 2017-18, as well as continued results from enforcement activities. This included over 43,000 detections of illicit and restricted drugs at the border; over 2,000 undeclared firearms, parts and accessories detected at the border; and over 400 tonnes of illicit tobacco.

The information contained in this Annual Report attests to the hard work, dedication and commitment of our staff throughout the year.

Looking to the future, the Home Affairs Portfolio represents an opportunity to generate sustained, aligned and joint agency activity while being respectful of the independence of its operational agencies. This horizontal collaboration will provide a platform that generates outcomes greater than the sum of its parts.

With our colleagues in the Home Affairs agencies, the Department will continue to build a Portfolio that both respects the independence and traditions of the portfolio agencies while also harnessing the collective capabilities of the new national architecture of domestic security and law enforcement. In this age of heightened risk and sophisticated new threats, there remains much to be done, and the work to establish the Department of Home Affairs and the broader Portfolio in 2017-18 provides a solid foundation on which to continue to build.

About the Department

The Department is responsible for centrally coordinated strategy and policy leadership in relation to domestic and national security arrangements, law enforcement, counter-terrorism, foreign interference, transnational and serious crime, cyber security, social cohesion, the protection of our sovereignty and the integrity of our border, emergency management, and the resilience of our national infrastructure. The Department delivers services that strengthen the cohesion of Australian society through the Migration Programme. The Department manages and assists temporary and permanent migrants and those people participating in humanitarian and refugee programs, and confers citizenship.

Vision

A secure Australia that is prosperous, open and united.

Mission

Work together with the trust of our partners and community to keep Australia safe and secure, and support a cohesive and united Australia open for global engagement.

The Department at a glance

Figure 2 – the Department at a glance

CLIENT CONTACT



More than
30,000

telephone calls to the National Security Hotline

1.0 million

telephone calls to service centres (general enquiries and citizenship information lines)

2,498

enquiries received by the Transport Security Guidance Centre

PEOPLE

80,562

people conferred with Australian Citizenship

190,000

planning ceiling for the permanent Migration Program

28%

of Australians born overseas



16,250

Humanitarian Program places

8.7 million

temporary visas granted

NATIONAL SECURITY



57,440

visa cancellations

99%

of temporary entrants maintained their lawful immigration status while in Australia

2,036

Marine unit patrol days

STAFF

14,416



staff across 62 locations around the world

Organisational structure

Organisational structure at 30 June 2018.

Table 1 – Department organisational structure

Groups		
Executive	Policy	Corporate and Enabling
Led the development of strategy and capability planning and shaped enterprise strategy and cultural direction.	Provided comprehensive policy and planning development at strategic and operational levels.	Provided integrated support services that allowed the Department and the ABF to function effectively, including specialised corporate, people, finance and legal advice and assistance.
Infrastructure, Transport Security and Customs	Immigration and Citizenship Services	Intelligence and Capability
Delivered key security, emergency management, border facilitation and revenue programs with industry, state and territory partners.	Delivered citizenship, temporary and permanent migration programs and managed the refugee and humanitarian programs.	Provided the Department's intelligence services and products to support decision-making, policy development, resource allocation and counter border threats, and provide enterprise leadership on major capability projects.

Commonwealth coordinators			Adviser
Counter-terrorism	Transnational serious and organised crime	Counter foreign interference	National Cyber Security Adviser
Led counter-terrorism policy and coordination across the Australian Government. Coordinate national capability through the Australian New Zealand Counter-Terrorism Committee.	Led the development of an effective, efficient and holistic national response to foreign interference by coordinating policy and program development.	Delivered an effective, efficient and consistent national response to foreign interference by coordinating policy and program development.	Continued the critical role of transforming Australia's cyber security landscape to realise the economic and social benefit of a cyber-resilient nation.

The Executive team

As at 30 June 2018.



Michael Pezzullo – appointed Secretary of the Department of Home Affairs with effect on 20 December 2017. Michael is responsible for 14,416 staff across the Department and the Australian Border Force. Michael is also responsible for centrally coordinated strategy and policy leadership in relation to domestic and national security arrangements, law enforcement, emergency management, counter-terrorism, social cohesion, the protection of our sovereignty and the integrity of our border, and the resilience of our national infrastructure.



Rachel Noble PSM – Deputy Secretary Executive Group. Rachel is responsible for developing and driving enterprise strategy, capability, risk and assurance frameworks and is responsible for monitoring enterprise performance. Rachel is also responsible for delivering strategic research and communication services and providing integrated coordination and support to the Executive.



Linda Geddes – Deputy Secretary Policy Group. Linda is responsible for ensuring the Department's comprehensive policy capability, including immigration and citizenship, multiculturalism, national security, law enforcement, and international policy.



Cheryl-anne Moy – acting Chief Operating Officer and Deputy Secretary Corporate and Enabling Group, replacing Jenet Connell who left the Department in October 2017. Cheryl-anne is responsible for delivering people, health, corporate support, finance and legal services.



Paul Grigson – Deputy Comptroller-General of Customs and Deputy Secretary of Infrastructure, Transport Security and Customs Group. Paul commenced in the role in February 2018 and is responsible for administering the *Aviation Transport Security Act 2004* and the *Maritime Transport and Offshore Facilities Security Act 2003* which ensured transport security policy and regulatory settings were effective against evolving threats. Paul is also responsible for the design and implementation of practical security measures and compliance activities.



Malisa Golightly PSM – Deputy Secretary Immigration and Citizenship Services Group. Malisa joined the Department in August 2017 and is responsible for visa and citizenship programs, including service delivery and decision-making spanning the visa and citizenship life cycle, from pre-lodgement, application, visa grant or refusal, visa cancellation, and conferral and revocation of citizenship. Malisa is also responsible for administration of the Refugee and Humanitarian Assistance Programme and the Department's visa delivery transformation.



Maria Fernandez PSM – Deputy Secretary Intelligence and Capability Group. Maria is responsible for the Department's intelligence, identity and biometrics, major capability, data and ICT functions.



Tony Sheehan – Commonwealth Counter-Terrorism Coordinator. Tony is responsible for coordinating Australia's counter-terrorism arrangements for the Prime Minister and the Minister for Home Affairs. In this role he works in close partnership with Commonwealth, state and territory agencies.



Karl Kent OAM – Commonwealth Transnational Serious and Organised Crime (TSOC) Coordinator. Karl is responsible for providing strategic leadership of policy coordination in the national effort to combat TSOC through the preparation of a new national strategy and overseeing establishment of the Australian Centre to Counter Child Exploitation.



Chris Teal – Counter Foreign Interference Coordinator. Chris leads the development of a whole-of-government Counter foreign Interference Strategy. Chris is also responsible for cross-government engagement with industry, business and academia to counter foreign interference.



Alastair MacGibbon – National Cyber Security Adviser. Alastair leads the implementation of the Government's Cyber Security Strategy, transforming Australia's cyber security landscape to realise the economic and social benefits of a cyber-resilient nation. Alastair reports to the Secretary of the Department of Home Affairs on all policy matters and reports to the Director-General of the Australian Signals Directorate on all operational matters.

Changes to the executive team

To reflect the establishment of the Department of Home Affairs on 20 December 2017, the following changes in senior leadership occurred during 2017–18:

- » **Paul Grigson** joined the executive team from the Department of Foreign Affairs and Trade to take up the newly created position of Deputy Secretary, Infrastructure, Transport Security and Customs Group.
- » **Tony Sheehan** joined the executive team from the Department of the Prime Minister and Cabinet with the transfer of the Commonwealth Counter-Terrorism Coordinator role to the Department of Home Affairs.
- » **Karl Kent OAM** joined the executive team as a sworn Deputy Commissioner of the Australian Federal Police to assume the newly created position of Commonwealth Transnational Serious and Organised Crime Coordinator.
- » **Chris Teal** joined the Department's executive team from the Attorney-General's Department to take up the newly created position of Counter Foreign Interference Coordinator.
- » **Alastair MacGibbon** joined the executive team from the Department of the Prime Minister and Cabinet with the transfer of the National Cyber Security Adviser role as it relates to policy coordination to the Department of Home Affairs.

Legislation

On behalf of the Minister, the Department administers the following Acts, which provide a legislative framework for its functions and services:

- » *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*
- » *AusCheck Act 2007*
- » *Australian Border Force Act 2015*
- » *Australian Citizenship Act 2007*
- » *Australian Citizenship (Transitionals and Consequentials) Act 2007*
- » *Australian Crime Commission Act 2002*, except to the extent administered by the Attorney-General
- » *Australian Crime Commission Establishment Act 2002*
- » *Australian Crime Commission (National Policing Information Charges) Act 2016*
- » *Australian Federal Police Act 1979*
- » *Australian Security Intelligence Organisation Act 1979*, except to the extent administered by the Attorney-General
- » *Australian Transaction Reports and Analysis Centre Industry Contribution Act 2011*
- » *Australian Transaction Reports and Analysis Centre Industry Contribution (Collection) Act 2011*
- » *Aviation Transport Security Act 2004*
- » *Commerce (Trade Descriptions) Act 1905*
- » *Crimes Act 1914*, Parts IAA, IAAA, IAAB, IAB, IAC, IC, ID, and IE
- » *Crimes (Aviation) Act 1991*
- » *Criminology Research Act 1971*
- » *Customs Act 1901*, other than Part XVB and Part XVC
- » *Customs Licensing Charges Act 1997*
- » *Customs Securities (Penalties) Act 1981*

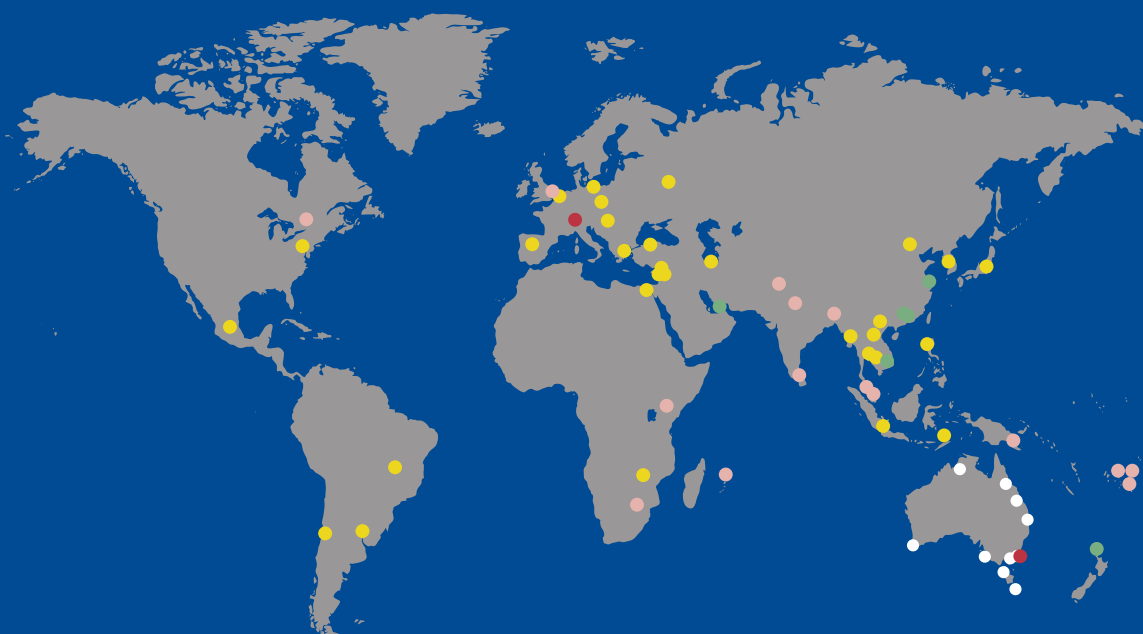
- » *Customs Tariff Act 1995*
- » *Customs Undertakings (Penalties) Act 1981*
- » *Financial Transaction Reports Act 1988*
- » *Immigration (Guardianship of Children) Act 1946*
- » *Import Processing Charges Act 2001*
- » *Inspector of Transport Security Act 2006*
- » *Intelligence Services Act 2001*, insofar as it relates to the Australian Security Intelligence Organisation
- » *Law Enforcement (AFP Professional Standards and Related Measures) Act 2006*
- » *Maritime Powers Act 2013*
- » *Maritime Transport and Offshore Facilities Security Act 2003*
- » *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*
- » *Narcotic Drugs Act 1967*, sections 12 and 22 and subsection 24(2), and so much of the remaining provisions of that Act (other than sections 9, 10, 11, 13, 19 and 23 and subsection 24(1)) as relate to powers and functions under those sections
- » *National Crime Authority (Status and Rights of Former Chairman) Act 1984*
- » *Passenger Movement Charge Act 1978*
- » *Passenger Movement Charge Collection Act 1978*
- » *Proceeds of Crime Act 1987*, except to the extent administered by the Attorney-General
- » *Proceeds of Crime Act 2002*
- » *Proceeds of Crime (Consequential Amendments and Transitional Provisions) Act 2002*
- » *Psychotropic Substances Act 1976*
- » *Public Order (Protection of Persons and Property) Act 1971*
- » *Security of Critical Infrastructure Act 2018*
- » *Social Security Act 1991*, insofar as it relates to Australian Government Disaster Recovery Payment, Disaster Recovery Allowance and the Australian Victim of Terrorism Overseas Payment
- » *Social Security (Administration) Act 1999*, insofar as it relates to Australian Government Disaster Recovery Payment, Disaster Recovery Allowance and the Australian Victim of Terrorism Overseas Payment
- » *Surveillance Devices Act 2004*
- » *Telecommunications (Interception and Access) Act 1979*
- » *Witness Protection Act 1994*

Twenty-two portfolio bills were introduced to the Australian Parliament during 2017–18. In that period, 15 bills passed both Houses of Parliament and became Acts upon receiving Royal Assent. A further 19 Regulations were registered and 135 additional legislative instruments were made.

The Amendment Acts, Regulations and other legislative instruments are available on the Federal Register of Legislation¹, administered by the Office of Parliamentary Counsel.

¹ www.legislation.gov.au

Figure 3 – office and post locations



11

Regional
Directorates

27

Embassies

15

High Commissions

7

Consulates

2

Other

Office and post locations

As a global organisation, the Department brings together 14,416 staff based in Australia and in 62 locations around the world.

Regional Directorates

- » ACT and Regions
- » Adelaide
- » Brisbane
- » Cairns
- » Darwin
- » Hobart
- » Melbourne
- » Parramatta
- » Perth
- » Sydney
- » Thursday Island

Embassies

- » Amman
- » Ankara
- » Bangkok
- » Beijing
- » Beirut
- » Belgrade
- » Berlin
- » Brasilia
- » Brussels
- » Buenos Aires
- » Cairo
- » Dili
- » Hanoi
- » Harare
- » Jakarta
- » Manila
- » Mexico City
- » Moscow
- » Phnom Penh
- » Santiago
- » Seoul
- » Tehran
- » Tel Aviv
- » Tokyo
- » Vientiane
- » Washington DC
- » Yangon

High Commissions

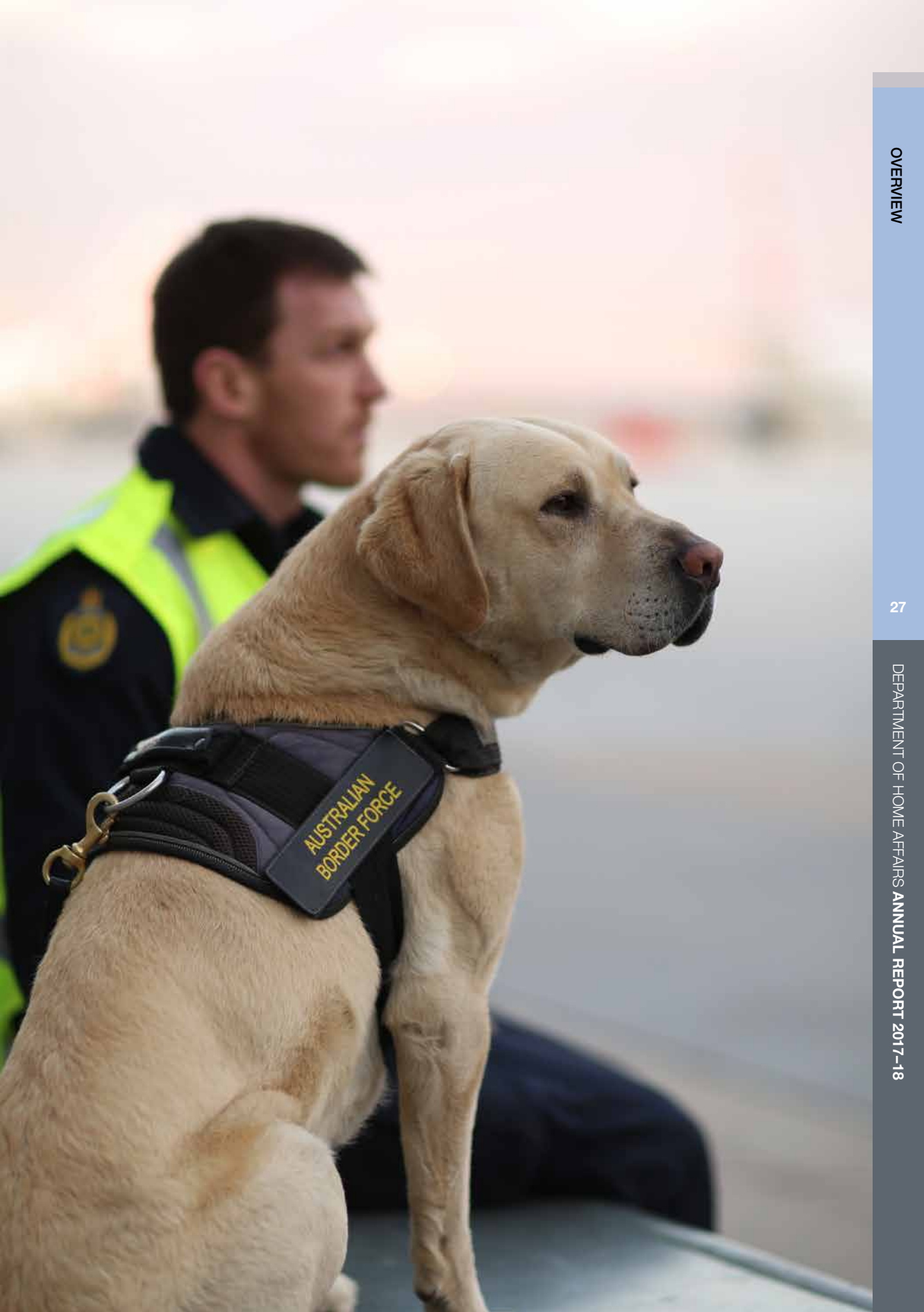
- » Apia
- » Colombo
- » Dhaka
- » Islamabad
- » Kuala Lumpur
- » London
- » Nairobi
- » New Delhi
- » Nuku'alofa
- » Ottawa
- » Port Louis
- » Port Moresby
- » Pretoria
- » Singapore
- » Suva

Consulates

- » Auckland
- » Dubai
- » Guangzhou
- » Ho Chi Minh City
- » Hong Kong
- » New York
- » Shanghai

Other

- » Geneva
- » National Office, Canberra



Commissioner's review

The Australian Border Force (ABF) was established in 2015 and is continuing its transition to a modern border law enforcement agency ensuring the integrity of Australia's borders and facilitating legitimate trade and travel. The ABF is also Australia's customs service and, as such I hold dual responsibility as the Comptroller-General of Customs.

Amidst a number of significant challenges, we are strengthening leadership, diversity, and administrative compliance while developing a strategic vision with a renewed focus on training and operational tradecraft.

The establishment of the Home Affairs Portfolio marks an important point in the evolution of the ABF. As an operationally independent body within Home Affairs the ABF will continue to capitalise on opportunities for collaboration, coordination and information-sharing between agencies, enhancing intelligence and building our collective capabilities across the Portfolio. The Department of Home Affairs provides corporate, enabling and intelligence services to support the ABF.

With continued growth in both traveller and trade volumes, close relationships with domestic and international law enforcement partners as well as industry, are critical to our success.

The ABF's enforcement role and the facilitation of people and goods moving across our border continues to be bound together as complementary imperatives. We balance these in order to protect the community from complex threats and to contribute to our prosperity as a trading nation.

We respond to evolving threats using an intelligence-informed, risk-based approach; adjusting our posture and directing resources flexibly. Programs such as Australian Trusted Trader and Border Watch assist us balance our facilitation and enforcement imperatives.

The ABF's role in border protection involves facilitating traveller and cargo clearance while preventing the cross border movements of individuals who represent a threat, and the importation of illicit drugs, precursors and firearms. Our compliance and enforcement efforts were sustained across migration and customs domains throughout 2017–18 incorporating:

- » Over 43 million air travellers processed at the border in 2017–18, with more than 25 million using automated SmartGate technology. Eligibility for using SmartGates on arrival to Australia was expanded, with an additional 11 countries added this year, bringing the total number of eligible countries to 28.
- » Continued growth in cargo volumes, with more than 50 million air cargo consignments and more than 3 million sea cargo manifests processed in 2017–18. In addition, more than 54 million international mail items were inspected.
- » There were over 43,000 detections of illicit and restricted drugs, with a combined weight of more than 11 tonnes, prevented from reaching the community.
- » We also continued to prevent the importation and exportation of asbestos and non-conforming products, which have the potential to harm the Australian community.
- » Revenue recovery was complemented by an increase of over 50 per cent in voluntary disclosures, correcting revenue errors to the value of \$100 million.

- » Contribution to the whole-of-Government National Illicit Firearms Strategy through Operation Athena:
 - » 35 investigations, 35 search warrants and a number of prosecution actions.
 - » Successfully detected and removed from circulation 2,011 undeclared firearms, parts and accessories.

The ABF contributes to national security priorities through its counter-proliferation work, the Counter Terrorism Unit (CTU) at Australian ports of entry, support to joint agency counter terrorism investigations and the overseas based Airline Liaison Officer program. In 2017/18 the ABF initiated activities including:

- » More than 230,000 real-time assessments were conducted by the CTU and 55 traveller movements assessed to address national security concerns.
- » Prevented 205 imposters or improperly documented persons entering Australia through the Airline Liaison Officer program. This is an increase of 17.8 per cent from the 2016–17 period.
- » The detection of more than \$4.9 million in undeclared currency.
- » The ABF also works with domestic and international agencies to combat the ongoing threat of illegal civil activity across our maritime domain.
- » The multi-agency taskforce Maritime Border Command (MBC), which sits within ABF Operations Group, apprehended 14 illegal foreign fishing vessels, and processed 58 illegal foreign fishers in 2017–18.
- » Through a joint operation we also disrupted the importation of border controlled drugs on the west coast of Australia in December, which resulted in the largest methamphetamine seizure in Australia's history (1.2 tonnes).
- » We continue to contribute to Operation Sovereign Borders.

The ABF plays a crucial role in maintaining the integrity of the migration and visa system, which enhances Australia's economic interest, promotes a prosperous and cohesive society and protects vulnerable people, including children.

Our work with partner agencies helps identify, target and disrupt high-level criminal activity associated with the unlawful movement and exploitation of people. We also locate, detain and affect the return and removal of unlawful non-citizens.

- » Through Taskforce Cadena, the ABF, along with supporting partner agencies, completed 17 operations and executed 24 warrants across multiple states and industries to investigate criminals responsible for organising visa fraud, illegal work and the exploitation of foreign workers.

Australia's onshore immigration detention network has adapted to reflect changes to the detainee cohort, including the risks posed by those with serious criminal convictions. Infrastructure work across the detention estate has allowed the ABF to safely and securely accommodate a higher-risk detainee cohort, and work toward the further closure of facilities. The ABF will continue its efforts to address significant risks that still exist across the detention network, such as smart devices and contraband.

- » During 2017–18, over 900 visas were cancelled on character grounds, including those of outlaw motorcycle gang members, drug traffickers and sex offenders who pose an ongoing risk.

We deter and disrupt maritime people smuggling activities in our region, and respond to attempts to travel unlawfully to Australia.

- » Through Operation Sovereign Borders we intercepted two people smuggling ventures bound for Australia in 2017–18. Work with international partners also disrupted a number of ventures before they departed for our shores.

Ensuring the facilitation of international trade is vital to Australia's economic prosperity, and the integrity of trade remains key in maintaining a level playing field for companies who do the right thing. Building partnerships with industry helped the ABF facilitate legitimate trade and along with reliable intelligence, focused our resources on trade activities which poses a high or unknown risk. Deterring and detecting illicit trade also helped us prevent revenue evasion.

- » In 2017–18, 157 entities were accredited through the Australian Trusted Trader program.
- » In support of Australian exports, Mutual Recognition Arrangements were signed with the Republic of Korea, Canada, Hong Kong, the People's Republic of China and Singapore. These arrangements benefit Australian exporters who experienced a streamlined customs clearance process in overseas markets.
- » In 2017–18 the ABF, supported by the Tobacco Strike Team, detected approximately \$350 million in revenue evasion on tobacco products. There were also 110,000 detections of illicit tobacco; including over 215 tonnes of loose leaf and molasses tobacco, and over 235 million cigarettes. The success of the Tobacco Strike Team was critical in paving the way for the establishment of the ABF-led Illicit Tobacco Taskforce following the end of this financial year.

Our depth of experience in tackling trade crimes coupled with knowledge of the contemporary trade environment will assist us to build a dedicated trade enforcement intelligence and investigative capability to support audit and verification and detect revenue evasion.

The ABF will focus on trade enforcement across the coming financial year, and increase its level of activity to enable a competitive market for Australian businesses. This will advance Australia's economic interests, maintain the integrity of trade and reduce economic harm. We will continue to ensure compliance with customs, migration and civil maritime laws, while protecting the Australian community from the threats associated with illicit trade, illegal migration and maritime security

Our significant achievements and operational outcomes in the 2017–18 financial year are attested to in this Annual Report. Looking ahead, the ABF will continue to enhance performance with efforts focused across the operational priorities of border protection, trade enforcement and the migration system. We will evolve and adapt to challenges in our operating environment—what will not change is our commitment to border protection and the facilitation of legitimate trade and travel.

ABF will work in close partnership across the Portfolio, as well as with state, territory and international border, customs, immigration, intelligence and law enforcement agencies. These partnerships will strengthen our ability to support the broader portfolio-wide fight against transnational organised crime and terrorism, and the protection of vulnerable people.

About the Australian Border Force

The ABF forms an integral part of the Home Affairs Portfolio. It is an operationally independent body led by a statutorily-appointed Commissioner, reflecting its role as Australia's frontline border law enforcement body and customs service. The ABF undertakes operational immigration and customs border functions, and has a vital role in securing the border, facilitating the movement of people and goods, investigating non-compliance and providing Australia's civil maritime capability to protect our border.

The ABF operates internationally and domestically, including at Australia's international airports, international mail and cargo facilities, seaports, wharves and cruise terminals, in regional and remote areas, within the Australian maritime domain and across the immigration detention network. ABF officers are also posted to key locations offshore to support the Department's capability to identify, mitigate and respond to threats and manage risks before they reach the Australian border.

To manage the border effectively, the ABF works collaboratively across the Home Affairs Portfolio and with domestic and international partner agencies to identify and manage risks. These include more than 50 Commonwealth, state and territory agencies, international border agencies, and national security, civil maritime, defence, law enforcement and intelligence agencies. At the same time, the ABF facilitates trade and travel to support economic growth, while protecting government revenue and ensuring compliance with Australia's customs laws.

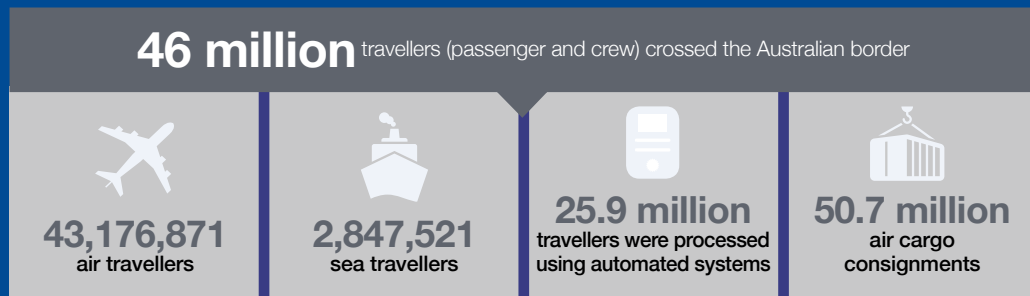
The Secretary remains the responsible PGPA authority for the ABF as well as the employer of ABF officers with the exception of the statutorily appointed Commissioner. The ABF is supported by the Department which provides coordinated strategy, policy leadership, and regulatory, corporate and other enabling services to the ABF through an agreed service delivery framework.

Performance outcomes can be found in Part 2 of this report.

The ABF at a glance 2017-18

Figure 4 – the ABF at a glance

PEOPLE AND GOODS



INVESTIGATIONS AND COMPLIANCE



DETENTION



Organisational structure Australian Border Force organisational structure at 30 June 2018.

Table 2 – ABF organisational structure

Groups	
Support	Operations
Delivered operational continuity by providing planning, support and training to support ABF's operational outcomes.	Led all operational activity relating to the management of goods, people and cargo throughout the border continuum.

The Executive Team As at 30 June 2018.



Michael Outram APM – sworn in as the Commissioner of the Australian Border Force on 14 May 2018. He leads officers responsible for protecting Australia's national borders and fostering lawful cross-border trade and travel. He oversees a range of complex capabilities and assets, including a fleet of ocean-going patrol vessels, systems to manage people and goods at border entry and exit points, investigations into serious organised fraud of our visa system and exploitation of illegal workers, and the onshore immigration detention network.



Mandy Newton APM – Deputy Commissioner of the Support Group within the Australian Border Force. She is responsible for delivering operational continuity through planning, support and training to achieve the ABF's operational outcomes. This includes monitoring customs and immigration compliance and the delivery of specialist maritime capabilities as well as implementing and developing the operational workforce function. Additionally, she leads operational support for detention, including health and estate management, the wellbeing of children, community programs and settlement services in addition to offshore regional processing activities including the Manus Island decommissioning.



Clive Murray – acting Deputy Commissioner of the Operations Group within the Australian Border Force. He is responsible for all operational activity relating to the management of goods and cargo throughout the border continuum. This includes contributing to whole-of-government law enforcement and national security outcomes while maintaining Australia's sovereignty through border protection of both land and maritime domains.



Part 2

Annual performance statement

Statement by the accountable authority

I, Michael Pezzullo, as the accountable authority of the Department of Home Affairs, present the annual performance statement of the Department of Home Affairs for the period of 1 July 2017 to 30 June 2018 as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the Department and comply with subsection 39(2) of the PGPA Act.



Michael Pezzullo

Accountable authority

22 September 2018

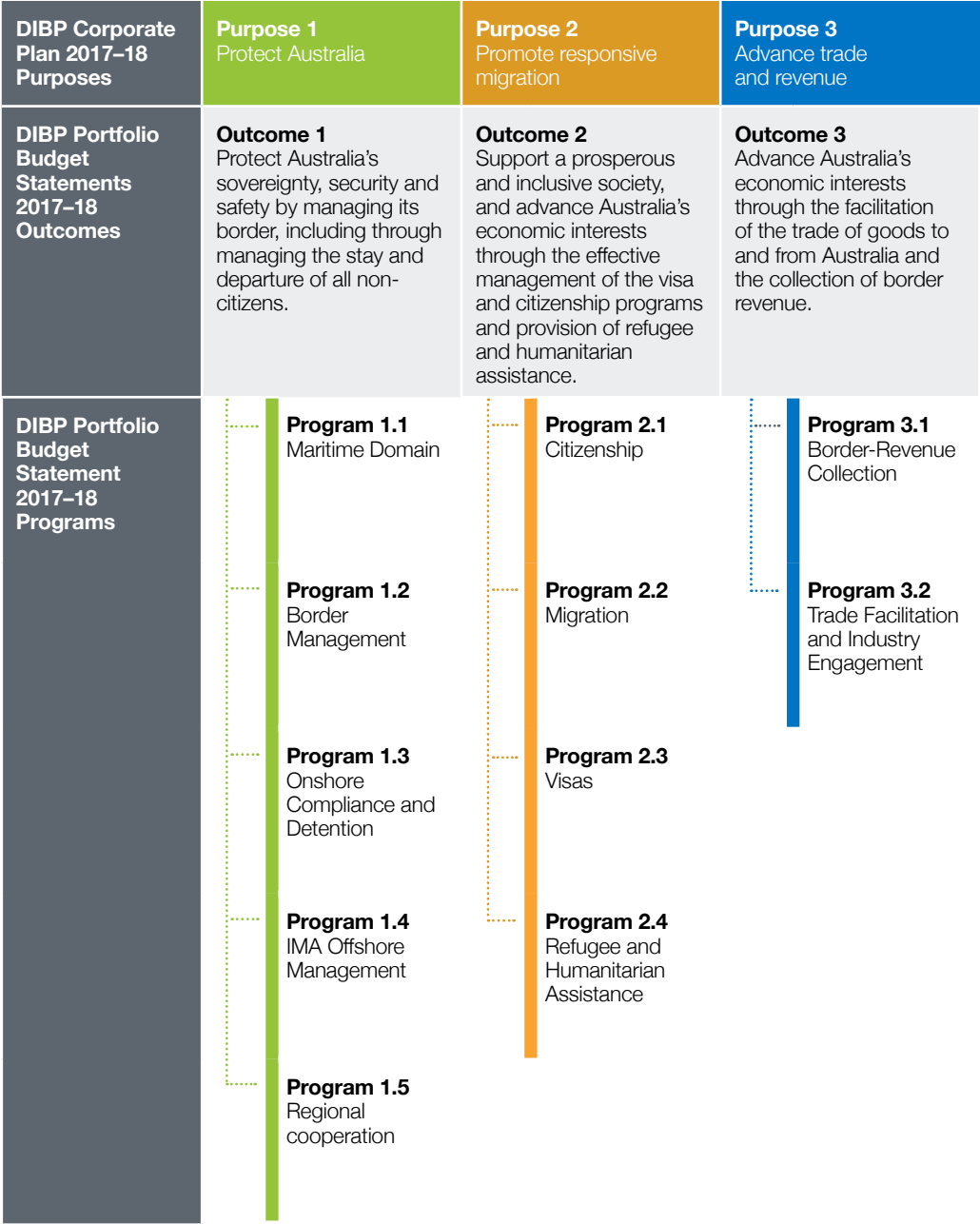
Performance Reporting

Part 2 of this report includes the Department's results against performance criteria outlined in the *Department of Immigration and Border Protection Corporate Plan 2017–18*, Department of Immigration and Border Protection Portfolio Budget Statements (PBS) 2017–18 and the Department of Immigration and Border Protection Portfolio Additional Estimates Statements 2017–18. The link between the outcome structure of the Department of Immigration and Border Protection (DIBP) PBS and purposes in the DIBP Corporate Plan are shown below. The DIBP performance measures for 2017–18 are updated from those reported in 2016–17. Where comparative data from 2016–17 is available for the new measures, it has been included.

The second half of Part 2 includes reporting of performance measures for functions that moved into the Department from the Attorney-General's Department (AGD) and the Department of Infrastructure and Regional Development, and which were contained in the previous agencies' 2017–18 corporate plans. The list of these performance measures is outlined on page 75.

Note: Functions transferred into the Department from the Department of Social Services and the Department of Prime Minister and Cabinet did not come with accompanying performance measures for 2017–18.

Figure 5 – Outcome and program structure



Purpose 1: Protect Australia

Table 3 – Purpose one performance criteria

DIBP Corporate Plan 2017–18 Purposes	Strategic Performance Measure 1.1 Effective surveillance and response contributes to achieving an increase in compliance in the Australian maritime domain.
	Strategic Performance Measure 1.2 People and goods that pose a risk to the Australian community are detected and appropriately managed ahead of, at and after the border.
	Strategic Performance Measure 1.3 Collaboration with the international community enhances our capacity to detect and respond to potential threats to Australia and its partners.
DIBP Portfolio Budget Statement 2017–18 Programs and Outcomes	Outcome 1 Protect Australia's sovereignty, security and safety by managing its border, including through managing stay and departure of all non-citizens.
	..... Program 1.1 Maritime Domain
	..... Program 1.2 Border Management
	..... Program 1.3 Onshore Compliance and Detention
	..... Program 1.4 IMA Offshore Management
	..... Program 1.5 Regional cooperation

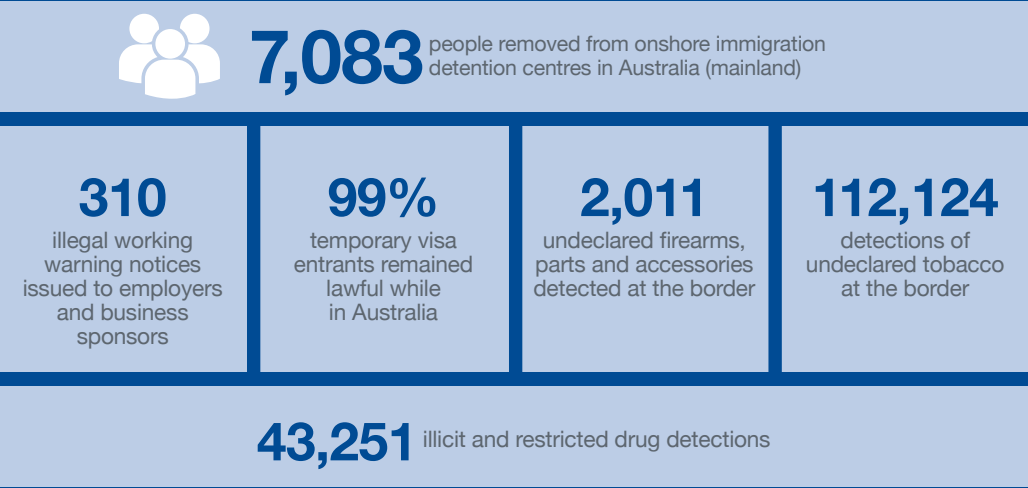
Purpose 1 at a glance—2017-18

Figure 6 – purpose 1 at a glance

BORDER PROTECTION



COMPLIANCE



Purpose 1 – Protect Australia

Analysis of performance against Purpose 1

Home Affairs achieved Purpose 1: Protect Australia in 2017–18

During 2017–18 the Department and the ABF maintained a range of activities focused on protecting the Australian community ahead of, at and after the border. These activities delivered strong outcomes, including: more than 43,251 detections of illicit drugs at the border; 2,011 undeclared firearms, parts and accessories detected at the border; and 7,083 removals of unlawful non-citizens from Australia.

The volume of goods and people crossing the border continued to grow. In 2017–18, the Department processed a record 46 million international air and sea travellers, and inspected more than 1.8 million cargo consignments.

To manage this volume, the Department and ABF uses an intelligence-informed, risk-based approach to secure the border continuum. This approach ensures that people and goods that pose a threat to the Australian community are detected and managed in accordance with Australian law, and wherever possible, ahead of the border.

In the Australian maritime domain, intelligence-informed approaches support effective surveillance and response activities. The Australian maritime domain is one of the largest in the world, totalling more than 10 million square kilometres. Maritime Border Command (MBC), within ABF, is a multi-agency taskforce established to safeguard the Australian maritime domain against a variety of threats and maintains surveillance operations 24 hours a day, 365 days a year. MBC coordinates maritime enforcement operations through assigned ABF and Australian Defence Force assets to deter, detect, respond to and prevent civil maritime security threats.

The Department and the ABF also continued to deliver results through Operation Sovereign Borders. During the reporting period two vessels were intercepted and all people on board were returned to their country of origin or departure.

The Department's whole-of-government approach to detecting and deterring illegal foreign fishing in the Australian maritime domain has proven extremely effective, with the number of illegal foreign fishing vessels detected and intercepted in Australian waters decreasing from more than 300 a year in 2006 to just 14 in 2017–18. One of the 14 illegal foreign fishing vessels apprehended in 2017–18 was an Indonesian fishing vessel located with 1,110 kilograms of yellowfin tuna.

At international airports, in addition to regular border processing, ABF Counter Terrorism Unit (CTU) activities provided support to whole-of-Government counter-terrorism activities. These activities included a focus on detecting Australian foreign fighters. In 2017–18, CTU officers conducted more than 230,000 real-time assessments, assisted with 55 passenger offloads, and helped to detect more than \$4.9 million in undeclared excess currency (which could be used to fund illicit and terrorism related activities). The CTU also prevented minors from travelling to conflict areas, detected and reported large sums of cash being moved, and detected extremist images and material. This led to the seizure of passports and on-going investigations.

The Airline Liaison Officer (ALO) program is an integral part of the ABF's layered approach to border management. The ALO network comprises 28 positions located at 19 key international airports in Africa, Asia, the Middle East and the Pacific regions. ALOs operate ahead of the border, working collaboratively with airlines, airport security groups and host government authorities in a dual role to facilitate genuine traveller movements and to identify and manage threats and risks before they reach the Australian border.

In 2017–18, air travellers holding counterfeit or fraudulently altered passports, imposters and those holding bogus or fraudulently obtained visas continued to actively target Australia. During 2017–18, ALOs prevented² 205 imposters or improperly documented persons entering Australia, up from 174 (17.8 per cent) in 2016–17, representing an estimated saving of \$15 million to the Australian community in avoided processing costs. In addition to preventions, a further 555 travellers were offloaded from flights to Australia based on ALO recommendations due to their travel intentions posing a risk to the border.

On arrival in Australia, and prior to border clearance, international travellers are subject to a further layer of assessment. In 2017–18, this led to 4,584 travellers being refused immigration clearance compared with 4,132 in 2016–17.

In 2017–18, the Department continued its regular collaboration with a wide range of domestic and international partners to detect and respond to potential threats. This included participation in international and regional multilateral fora, progression of a number of bilateral arrangements for information sharing and operational cooperation, and operational collaboration.

Outcomes from a joint operation with law enforcement partners on the west coast of Australia resulted in the largest methamphetamine seizure in Australia's history³. In addition, a regional maritime surveillance operation between Australia, the United States, France and New Zealand resulted in the boarding of six foreign fishing vessels in the Western Pacific Ocean, and identified 13 potential legal breaches.

The Department also continued its International Border Cooperation Program during 2017–18 to provide a range of technical skills and development activities to enhance the border management and security capacity of international partner agencies. In 2017–18, the Program funded 46 training activities in the Asia Pacific, Middle East and Africa regions, including: document examination, facial image comparison, intelligence analysis, investigations, passenger risk assessment, and counter-terrorism and foreign terrorist fighter training activities.

Detailed performance information related to Purpose 1 is in table 4 below.

² ALO preventions are the result of border threats that are identified and treated before they reach an Australian port.

³ A total of 1.2 tonnes of methamphetamine was seized.

Table 4 – Purpose 1 performance information**SPM 1.1 Effective surveillance and response contributes to achieving an increase in compliance in the Australian maritime domain.**

Source: Department of Immigration and Border Protection Corporate Plan 2017–18 p.24

SPM	Key Performance Indicator	Measurements	Results
1.1.1	Identify non-compliant vessels, where law enforcement responses were required, through surveillance and intelligence.	All requests for law enforcement responses are assessed and responses are prioritised according to threat.	<p>This measure was met. In 2017–18, 100 per cent of client tasking requests for maritime responses to investigate vessels identified as potentially non-compliant were risk assessed and prioritised according to threat.</p> <p>This resulted in 14 illegal foreign fishing vessel apprehensions and two maritime people smuggling ventures intercepted where all people on board were returned to their country of origin or departure. Maritime Border Command (MBC) also provided significant monitoring and response capability in a joint operation on the west coast of Australia which resulted in the largest methamphetamine seizure in Australia's history (1.2 tonnes).</p>
1.1.2	Collaboration supports a law enforcement response to threats within the Australian maritime domain.	<p>One exercise with Commonwealth/ state/territory partners/industry</p> <p>Monthly engagement with law enforcement partners and industry</p> <p>All task requests from other agencies are risk assessed and actioned according to threat level, supporting responses to specific threats in the Australian maritime domain.</p>	<p>This measure was met. In 2017–18, MBC undertook over 265 engagements with law enforcement partners and industry to support compliance in the Australian maritime domain.</p> <p>This included MBC undertaking a number of maritime counter-terrorism (MCT) activities and exercises with government law enforcement partners and industry. This collaboration not only enhanced partners' understanding and awareness of challenges in the maritime domain, but also demonstrated MBC's ability to coordinate an effective whole-of-government MCT response to maritime terrorist incidents in the Australian maritime domain —a responsibility MBC has under the National Counter-Terrorism Plan.</p> <p>The 14 illegal foreign fishing vessel apprehensions and two interceptions of maritime people smuggling ventures reported in KPI 1.1.1 were the result of strong collaboration with partner agencies. As stated, 100 per cent of task requests from other agencies were risk assessed and actioned according to threat level.</p>

SPM 1.2 People and goods that pose a risk to the Australian community are detected and appropriately managed ahead of, at and after the border.

Source: *Department of Immigration and Border Protection Corporate Plan 2017–18 p.24*

SPM	Key Performance Indicator	Measurements	Results
1.2.1	Engage partner agencies and our international liaison networks to contribute intelligence to enhance our national security.	Regular engagement with partner agencies and international liaison networks enhances national security.	<p>This measure was met. In 2017–18, the Department regularly engaged with a wide range of domestic and international partners to contribute intelligence to enhance our national security.</p> <p>Domestically, this included direct liaison and sharing of intelligence through the Border Intelligence Fusion Centre, as well as through branches of the Department's Intelligence Division, which involved the sharing of real-time and tactical intelligence with domestic law enforcement and security intelligence partners at an operational and strategic level. The sharing of this intelligence, through partners like the Australian Federal Police (AFP), has informed investigations and led to further detections of illicit or suspicious activity and aided other agency investigative efforts.</p> <p>Engagement was also undertaken with industry and community groups through the Border Intelligence Fusion Centre-run Border Watch program, which frequently resulted in the detection of illicit goods and activity through the provision of information on suspicious activity.</p> <p>Internationally, the Department is a member agency of the Border 5/Migration 5 Heads of Intelligence (B5/M5 HINT) group. The HINT is a multilateral forum responsible for setting and delivering border and migration intelligence initiatives. Collaboration and engagement with likeminded partners through HINT allowed for exchange of expertise, tradecraft and lessons learnt which were used to inform our own policy making and operational priorities. Intelligence holdings and operational holdings were also enriched.</p> <p>A result of engaging and collaborating with law enforcement partners was a joint operation on the west coast of Australia that resulted in the largest methamphetamine seizure in Australia's history (1.2 tonnes).</p>

SPM	Key Performance Indicator	Measurements	Results
1.2.2	Identify and manage persons posing risk to Australian community prior to travel or border clearance.	100 per cent of non-citizens posing known risks to the Australian community are refused/cancelled before or at the border.	<p>This measure was met. A range of activities contributed to this outcome, including offshore (pre-border) visa refusal or cancellation, work by ALOs to prevent imposters or improperly document persons, and at-border interdictions.</p> <p>In 2017–18, 444 offshore visa applications were refused on character or security grounds. This is a decrease of 20 per cent on the 555 offshore applications refused on the same grounds in 2016–17.</p> <p>ALOs stationed overseas prevented 205 imposters or improperly documented persons entering Australia, up from 174 (17.8 per cent) in 2016–17. In addition to ALO preventions, a further 555 travellers were offloaded from flights to Australia based on ALO recommendation due to their travel intentions posing a risk to the border, up from 136 in 2016–17. This represents an increase of over 300 per cent and is attributed to a focussed effort on targeted stakeholder engagement throughout the network. This engagement with airlines led to an increase in traveller referrals to ALOs by airline staff.</p> <p>On arrival in Australia, and prior to border clearance, international travellers are subject to a further layer of assessment. In 2017–18, this led to 4,584 travellers being refused immigration clearance.</p>
1.2.3	Identify persons in Australia posing a risk to the community and manage them in accordance with Australian law.	99 per cent of non-citizens serving custodial sentences, and who are liable for mandatory visa cancellation, have their visas cancelled.	<p>This measure was met. In 2017–18, 100 per cent of visa holders who served custodial sentences and were liable for mandatory visa cancellation had their visas cancelled. This is consistent with the 2016–17 result of 100 percent.</p> <p>This outcome reflects close collaboration with various law enforcement agencies to identify non-citizens who pose a risk to the community after they have been cleared to enter Australia. The Department and ABF also worked closely with state and territory correction services to identify visa holders serving custodial sentences in Australia and helped to remove them at the end of their incarceration period.</p> <p>Note: this measure will increase to a target of 100 per cent in 2018–19.</p>

SPM	Key Performance Indicator	Measurements	Results
1.2.4	Protect the Australian community through the engagement with whole-of-government counter-terrorism activities.	<p>Active mitigation of risk of a terrorist incident in Australia through counter-terrorism activities.</p> <p>ABF officers provide counter-terrorism support in all major Australian international air and seaports</p>	<p>This measure was met. This measure was met. In 2017–18, the Department and the ABF contributed to active mitigation of the risk of a terrorist incident by developing and actioning 100 per cent of intelligence-informed alerts. Alerts are the result of close engagement by the Department and ABF across Government with partner law enforcement and intelligence agencies to identify and target high risk persons. The Department also targeted possible foreign fighters and their supporters transiting Australia's ports.</p> <p>Activities of Counter Terrorism Units (CTU) at major Australian international airports are an integral part of the ABF counter-terrorism capability that deals with both inbound and outbound national security risks at the border. In 2017–18, more than 120 trained CTU officers were deployed across Australian international airports. An increase from the 100 officers deployed in 2016–17.</p> <p>In 2017–18, CTU officers conducted more than 230,000 real-time assessments, assisted with 55 passenger offloads, and helped to detect more than \$4.9 million in undeclared excess currency (which could be used to fund illicit and terrorism related activities). Further information on how the Department is working to mitigate the risk of a terrorist incident in Australia through countering violent extremism can be found at SP2.2, under performance measures transferred from AGD.</p>
1.2.5	Interdict illicit goods through a range of targeted and non-targeted activities before, at and after the border.	Increase (in proportion to the volume of goods) in detections identified before and at the border results in a decrease in the number of detected illicit goods that pass the border.	<p>Reporting against this KPI is scheduled to commence from 2018–19 onwards as per the Department of Immigration and Border Protection Corporate Plan 2017–18.</p> <p>As an example of performance in 2017–18, ABF detected the following at the border:</p> <ul style="list-style-type: none"> » 43,251 illicit and restricted drug detections » 406.4 tonnes of illicit tobacco » 2,011 undeclared firearms, parts and accessories

SPM	Key Performance Indicator	Measurements	Results
1.2.6	Detect, deter and respond to criminality and non-compliance through targeted and non-targeted activities before, at and after the border.	Reduction in the rate of passenger and cargo non-compliance compared to the previous year.	<p>This measure was met. The Department continues to detect, deter and respond to criminality and non-compliance through a concentrated focus on high-risk entities and cargo movements. We utilise a multi-layered approach to encourage compliance in the trade and traveller communities and work ahead of the border to prevent non-compliance. The range of compliance and enforcement activities we undertake are designed to increase compliance levels in the overall community.</p> <p>One of the measures of compliance for the trade and traveller communities at the Australian border is the rate of issuing infringement notices through the Infringement Notice Scheme, however it should be noted that the Infringement Notices Scheme is one of a number of activities used to address non-compliance in the traveller stream. There has been a decrease in the percentage of the trade and traveller volumes that have received infringement notices in 2017–18 compared to the previous year.</p> <p>In the cargo environment, 265 infringement notices were issued with a value of over \$2 million for trade and goods non-compliance. As a percentage of overall trade volumes, this is a decrease on the previous year. In 2017–18, 248 Infringement Notices were issued in the passenger stream. This is a 17 per cent reduction over the number of Infringement Notices issued in 2016–17, demonstrating a higher level of compliant activity by passengers during 2017–18.</p>

SPM 1.3 Collaboration with the international community enhances our capacity to detect and respond to potential threats to Australia and its partners.

Source: Department of Immigration and Border Protection Corporate Plan 2017–18 p.25

SPM	Key Performance Indicator	Measurements	Results
1.3.1	Engage with partner states to increase capability in assisting to prevent the unlawful movement of people and goods.	Qualitative assessment of a sample of activities, demonstrates positive impact from engagement with partner states on Australian border security.	<p>This measure was met. Throughout the year, the Department regularly engaged with partner states to increase capability to help prevent the unlawful movement of people and goods. This included participation in international and regional multilateral fora to share and build policy expertise, as well as technical skills transfer and operational-level support.</p> <p>A sample of activities demonstrate this:</p> <ul style="list-style-type: none"> » the Department worked with the Philippines Government to implement Phase II of the Regional Movement Alert System. This system facilitates the verification of Philippine passports for Filipinos travelling to Australia, countering the unlawful movement of people to Australia. » training activities were completed between Maritime Border Command (MBC) and the Malaysia Coast Guard (MCG) to improve targeting of maritime people smuggling and other civil maritime threats. This training linked with broader operational support for the MCG to complete Operation Redback VIII an on-water operation to combat maritime security threats facing both nations, including people smuggling and human trafficking. During the operation the MCG inspected 87 vessels and apprehended four vessels and their crew for offences under the Malaysian Fisheries and Immigration Acts. » the Department engaged with regional partners by funding the United Nations Office of Drugs and Crime (UNODC) Partnership Against Transnational Crime through Regional Organised Law Enforcement. This program contributed to lowering the threat of people and goods reaching the Australian border. To date, 76 border liaison offices have been established in Myanmar, Thailand, Laos, China, Cambodia and Vietnam to better monitor the cross-border movements of people and goods, including illicit drugs. UNODC is working to improve reporting as border liaison offices provide a key role in enabling drug seizures by local authorities.

SPM	Key Performance Indicator	Measurements	Results
1.3.2	Engage with partner states to increase information sharing, assisting to secure the Australian border from the unlawful entry of people and goods.	Qualitative assessment of a sample of activities demonstrating impact(s) of information-sharing activities on Australian border security.	<p>This measure was met. The Department continued to exchange information with close partners, and developed information sharing arrangements to formalise the exchange of personal and sensitive information between countries to ensure compliance with Australia's privacy laws. These arrangements assist the Department to secure the Australian border into the future.</p> <p>A sample of activities supporting this measure include:</p> <ul style="list-style-type: none"> » the Department's embedded intelligence analyst in the Border 5 (B5) International Targeting Centre, located within the United States Customs and Border Protection National Targeting Centre, continued to facilitate Australia's strong contribution to bilateral and Five Eyes operations which identify, interdict and disrupt illicit activity related to the international movement of goods and people. The placement has led to significant regular detections, including of methamphetamines and other illicit drugs through joint targeting operations in the international mail stream bound from the US to Australia. » the Department continued to work as a member of the Migration 5 (M5). The M5 members include Australia, Canada, New Zealand, the United Kingdom and the United States. The M5 have international agreements in place to govern data exchange for border related reasons, including for fingerprint matching schemes to detect identity fraud and immigration non-compliance. Members do not share their own citizens' data, and under agreed checking arrangements, information referred by partners for matching is not retained when no match is found⁴. This arrangement has enabled decision makers to make informed decisions, both positive and negative, regarding travel and movement of goods. (refer to KPI 1.2.2 for data on overall refusals for 2017–18).

4 The Department complies with the Australian Privacy Principles and other domestic law in how it manages the biometrics it handles. The Department uses encryption and authorisation procedures to ensure data protection, security, confidentiality and integrity of its disclosure practices.

SPM	Key Performance Indicator	Measurements	Results
			» the Department negotiated a number of bilateral arrangements in 2017–18 with regional partners to increase information sharing. This includes information sharing Memorandum of Understandings with Taiwan Customs and Immigration agencies, the Thailand Department of Special Investigations Department, Japan Immigration, Papua New Guinea border security agencies and the Myanmar Customs Department.

Purpose 2: Promote responsive migration

Table 5 – Purpose two performance criteria

DIBP Corporate Plan 2017–18 Purposes	Strategic Performance Measure 2.1 Immigration and citizenship programs support the Australian economy and strengthen social cohesion.
	Strategic Performance Measure 2.2 Provision of orderly and planned humanitarian pathways contributes to the global management of refugees and displaced persons.
	Strategic Performance Measure 2.3 Facilitation of legitimate travel, streamlined visa and citizenship processing and the provision of advice promotes seamless client access.
	Strategic Performance Measure 2.4 Collaboration with the international community contributes to the global effort to provide international protection, facilitates legitimate travel, and deters the unauthorised movement of people.
	Strategic Performance Measure 2.5 Effective regulatory, enforcement, detention and status resolution activities promote compliance and promote timely status resolution at the lowest economic impact to Government.
DIBP Portfolio Budget Statement 2017–18 Programs and Outcomes	Outcome 1 Protect Australia's sovereignty, security and safety by managing its border, including through managing stay and departure of all non-citizens.
	..... Program 1.5 Regional cooperation
	Outcome 2 Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa and citizenship programs and provision of refugee and humanitarian assistance.
	..... Program 2.1 Citizenship
	..... Program 2.2 Migration
	..... Program 2.3 Visas
	..... Program 2.4 Refugee and Humanitarian Assistance

Purpose 2 at a glance – 2017–18

Figure 7 – purpose 2 at a glance

PEOPLE

AUSTRALIAN CITIZENSHIP

80,562

people conferred

19,331

people acquired by descent,
adoption and resumption



PERMANENT MIGRATION PROGRAM

162,417

total Migration
and Child Program
places granted



111,099 skill

47,732 family

3,350 child

236 special eligibility

TEMPORARY VISAS GRANTS

8,694,048 temporary visas granted

351,516 maritime crew and transit

1,856,614 New Zealand

13,074 other temporary

378,292 student

180,459 temporary resident (other)

64,470 temporary resident (skilled)

5,639,167 visitor

210,456 working holiday maker

Australian citizenship in Antarctic Territory

With icebergs as a backdrop and curious penguins watching on, plumber Terry Barrell became an Australian citizen on 24 January 2018 at Davis research station in the Australian Antarctic Territory. Mr Barrell, who was born in the United Kingdom, has been working at Davis station since November 2017. Terry Barrell was one of more than 12,000 new citizens welcomed at more than 350 citizenship ceremonies as part of Australia Day celebrations. It's only the second time in history that someone has become an Australian Citizen in Antarctica.



Purpose 2—Promote responsive migration

Analysis of performance against Purpose 2

Home Affairs achieved Purpose 2: Promote responsive migration in 2017–18

During 2017–18, Australia's immigration and citizenship programmes continued to have beneficial impacts on the economy and Australian society. As reported in the Shaping a Nation report⁵, the economic and fiscal benefits that migrants have brought to Australia have undoubtedly played a part in Australia's 26 years of uninterrupted economic growth.

Australia's Visa Programs settings continued to prove attractive and competitive. During 2017–18, the Department granted a record 8,694,048 temporary visas (up 3 per cent from 2016–17) and 162,417 permanent visas within the Migration Program. The 2017–18 Migration Program ceiling (not a target) set by Government was 190,000 places. The Department processed permanent visas in each category up to the ceiling, but did not lower standards or move places between categories in order to reach the ceiling. The Department maintained high levels of integrity checking on visa applications to ensure quality over quantity and to maximise the benefits of migration to Australia.

The volume of visa applications is forecast to continue to increase from approximately nine million to 13 million per annum by 2026–27. In an increasingly competitive global market for tourists, students and highly skilled workers, innovative approaches and new digital technologies were applied to manage demand.

Increasing complexity and risk, resource pressures and lodgement volumes present challenges in many visa programs. To meet these challenges, the Department has increasingly extended its traditional focus from managing threats at the physical border to managing a border continuum (before, at, and after the border). This shift means taking an intelligence-informed, risk-based, targeted approach to threats to support a seamless flow of travellers across Australia's border.

In line with this changing environment, during 2017–18, visa and citizenship application processing remained focused on enhanced community protection, identity management and quality management. Refusal rates increased across most visa programs as a result of enhanced integrity measures, however, the Department delivered all streams of the Migration Programme within the ceiling set by Government.

During 2017–18, the Department focused on ensuring that Australia's humanitarian pathways were orderly and robust to safeguard the integrity of the programme and maintain the confidence of the Australian public. These planned pathways ensure that the Department protects those most in need, consistent with Government priorities, security and prosperity of the Australian community as the primary consideration.

The focus on resolving the illegal maritime arrival (IMA) legacy caseload was demonstrated by the outcome of the 1 October 2017 deadline for people to apply for departmental assessment of their asylum claims. The Department implemented a comprehensive strategy to ensure that IMAs were aware of the deadline and were able to apply for protection. Consequently, more than 99 per cent of IMAs lodged applications before the deadline. The resulting increase in applications affected the average processing time to finalise cases, which was the only measure in Purpose 2 that was not met (KPI 2.2.2).

5 <http://research.treasury.gov.au/external-paper/shaping-a-nation/>

The Community Support Program (CSP) began in 2017–18 as part of the Humanitarian Program. It provides an additional pathway for individuals in need who, with support from the business or broader community, can become financially self-sufficient within 12 months of arrival. Twelve approved proposing organisations were selected for the CSP after a competitive process. Approved proposing organisations are now working to link employers with prospective humanitarian applicants, lodge visa applications, provide and manage settlement services after individuals arrive in Australia and help them become financially independent.

The Department also improved and aligned processes through a digital services strategy, launching online applications for Permanent Protection (subclass 866), Temporary Protection (subclass 785) and Safe Haven Enterprise (subclass 790) visas in the 2017–18 financial year. This provides improved accessibility to application information, allows for more targeted application forms and introduces a streamlined form for reassessment processes, which reduces burden on clients. The change resulted in 46 per cent of total applications for Permanent Protection, Temporary Protection and Safe Haven Enterprise visas being made online in 2017–18.

The Department is also progressively transforming its online channels to allow clients to self-serve for the majority of information and services. Delivering services to people and businesses using in-person, phone and paper channels is costly—estimated to be up to 42 times the cost of digital services and time consuming for the client. In line with client expectations and the Government's digital transformation agenda, the Department is purposefully moving away from these high-cost channels and encouraging clients to self-serve using online services wherever possible.

Online lodgement provides applicants with a convenient, 24/7 way of applying for an Australian visa or Australian citizenship electronically, rather than using paper forms. Since December 2013 for visas, and 2015 for citizenship by conferral, applicants have been able to create, submit, pay for and manage their applications in one place by opening an ImmiAccount from the Department's website. In 2017–18, 90 per cent of all visa applications were lodged electronically (up 8 per cent from 2016–17) and 71 per cent of applications for citizenship by conferral were lodged electronically (up 15 per cent from 2016–17).

Automated border processing is critical to managing increasing traveller volumes. Seamless Traveller, a \$96.3 million project from 2015–2020, is automating and modernising the arrival and departure processes at Australia's international airports. It includes second-generation biometrically enabled 'SmartGates' to enable self-processing across the border, and digitisation of the paper-based Incoming Passenger Card that all travellers must complete.

In 2017–18, SmartGates processed 10.3 million inbound travellers (up 7 per cent from 2016–17) and 15.7 million outbound travellers (up 7 per cent from 2016–17). During the period under review, 60 per cent of all travellers used SmartGate automated border processing compared to 59 per cent in 2016–17. In 2017–18, arrivals SmartGate eligibility was expanded to include 11 additional countries, bringing the total number of eligible countries to 28.

Changes to the skilled migration program were made during the year to effectively identify and allow entry of people with relevant qualifications, skills or experience to complement, support or enhance Australia's economic and fiscal sustainability. The new Temporary Skills Shortage (TSS) (subclass 482) visa, which replaced the temporary work (skilled) (subclass 457) visa, provides the main source of temporary skilled overseas workers to fill identified skill shortages in the Australian labour market. In 2017–18, the number of visa applications lodged for subclass 457/TSS decreased by 28 per cent compared with 2016–17. The decline reflects the introduction of the temporary skills shortage visa, tightened visa requirements and changes to the skill occupation list.

During 2017–18 the Department's regulatory and enforcement activities contributed to the protection of the Australian community. These risk-based activities ensure the integrity of visa programs and are integral to managing the movement and stay of people in Australia. The Department has significantly changed the way it manages detention and status resolution, with the safety and security of the Australian community at its centre. Improved risk-based assessments support the appropriate placement and management of individuals while their status is being resolved, while places in held detention is reserved for those individuals who pose a risk to the safety and security of the Australian community. Changes to service delivery ensure that services provided to unlawful non-citizens support status resolution and are matched to the individual's risk.

The Department employs a portfolio-wide approach to status resolution and regulatory activities. Voluntary compliance is preferred and individuals are encouraged to approach the Department for assistance with resolving their immigration status by departing Australia, or through the grant of a substantive visa. Individuals are located, detained and removed only when necessary. The percentage of non-citizens who sought to resolve their status by voluntarily approaching the Department decreased slightly compared with previous years (73 per cent in 2017–18 compared with 75 per cent in 2016–17). This resulted in the partial achievement of one performance measure in Purpose 2 (KPI 2.5.1).

Overall, the Department's activities saw a significant increase in the number of people conducting voluntary checks of their visa status through the Department's Visa Entitlement Verification Online (VEVO) service, compared with 2016–17. The Department managed people to resolution in a cost-effective way during 2017–18, minimising the time people spent in detention and exceeding the target set for the percentage of people managed in the community on Bridging E visas (BVEs), rather than in held detention.

Detailed performance information related to Purpose 2 and results for each measurement is in Table 6 below.

Table 6 – Purpose two performance information**SPM 2.1 Immigration and citizenship programmes support the Australian economy and strengthen social cohesion.***Source: Department of Immigration and Border Protection Corporate Plan 2017–18 p.26*

SPM	Key Performance Indicator	Measurements	Results
2.1.1	Visa programmes have community confidence and effectively identify and allow entry to people with relevant qualifications, skills or experience to complement, support or enhance Australia's economic and fiscal sustainability.	<p>Visa programme reduces identified skill shortages compared with the previous year.</p> <p>Labour market outcomes of surveyed migrants 18 months after arrival/visa grant as reported in the Continuous Survey of Australia's Migrants:</p> <ul style="list-style-type: none"> » employed >70 per cent » unemployed <10 per cent » not in the labour force <20 per cent 	<p>This measure was met. The Government announced reforms to Australia's employer sponsored skilled migration visa programs in April 2017 relate to this measure. These reforms were implemented over 11 months, concluding in March 2018, and included:</p> <ul style="list-style-type: none"> » new Temporary Skill Shortage visa (subclass 482). The new visa: tightens English language requirements; increases work experience requirements; implements a non-discriminatory workforce test to ensure employers are not actively discriminating against Australian workers; and requires mandatory labour market testing unless an international trade obligation applies. » tightening of eligibility requirements for employer-sponsored permanent skilled visas. » further reforms of the occupation lists used for skilled migration visas to reflect identified skill shortages in Australia. The occupations available are reviewed regularly by the Department of Jobs and Small Business to ensure their responsiveness to changes in the Australian labour market and regional variations across Australia. Changes in the list reflects the labour shortages in the nominated occupations and are accommodated in the visa programme. The lists were updated in July 2017, January 2018 and March 2018. <p>The skilled visa reforms helped reduce identified skills shortages through better targeting of occupations and delivery of overseas workers in occupations with identified skill shortage.</p> <p>In addition, the Continuous Survey of Australia's Migrants⁶ outcomes exceeded target measures:</p> <ul style="list-style-type: none"> » employed: 76 per cent » unemployed: 6 per cent » not in labour force: 17 per cent.

SPM	Key Performance Indicator	Measurements	Results
2.1.2	Consult relevant community, government and industry stakeholders in development of immigration, trade and customs policy.	Qualitative assessment demonstrates positive impact of stakeholder consultations (including the Industry Summit and annual consultations on the Migration and Humanitarian Programmes) on policy development and implementation.	<p>This measure was met. In 2017–18 the Department engaged broadly and regularly with community, government and industry stakeholders in developing immigration, trade and customs policy.</p> <p>For example:</p> <ul style="list-style-type: none"> » The Department's Industry Summit in 2017–18 brought together approximately 250 government and industry leaders from the trade, travel and migration sectors, and from peak bodies and government with the theme: <i>Border innovation: strengthening our nation's economy, security and society</i>. The Department is using ideas from the summit to brief Government and to inform future policy and operational settings. » Discussion papers inviting public submissions on particular aspects of policy or on broader themes were released, an example being the <i>Visa Simplification: Transforming Australia's Visa System</i> consultation. The Department consulted 184 representatives of industry, academia, the community and government at roundtables in Brisbane, Canberra, Melbourne and Sydney, with an additional 60 industry representatives participating in immigration reform workshops at the 2017 Industry Summit. This consultation informed the development of a proposal for Government on the future design of the visa system. » As new policy matters arise, the Department has actively engaged relevant stakeholder groups. For example, the Department stood up the Industry Advisory Group for the Global Talent Scheme to advise the Government on the Global Talent Scheme pilot. The group will ensure the scheme remains informed of industry needs and deliver a credible, sustainable and effective pathway for Australian businesses to access global talent overseas when Australian workers cannot meet genuine need.
2.1.3	Visa programme settings minimise unreasonable fiscal burden and enable efficient, effective and secure entry to enhance Australia's international competitiveness.	Benchmark against comparable countries with demand-driven programmes to determine Australia's international competitiveness increases.	<p>This measure was met. Australia continues to be an attractive destination for migrants. A record 8.7 million temporary visas were processed in 2017–18 (up 3 per cent from 2016–17) – a mark of our competitiveness as an attractive destination.</p>

SPM	Key Performance Indicator	Measurements	Results
			<p>Australia undertakes rigorous assessment processes to ensure secure and effective entry to Australia.</p> <p>Following the expansion of online lodgement in 2017–18 to all eligible countries, Australia now offers an online visa experience to all applicants from Australia's two largest cohorts – China and India – including all visitors and students from these countries. Online lodgement has reduced red-tape by providing a 24/7 online application channel, reducing or removing entirely any requirement for the submission of hard-copy supporting documents, and electronic storage of passport details, instead of visa labels.</p> <p>The advent of online lodgement in all major markets has equipped the Department to enable 'nudge' notification of important and helpful visa information during 2017–18. Australia's online visa applications were also optimised for mobile devices.</p>
2.1.4	Visa and Citizenship Programmes are designed to support harmonious communities to participate and contribute to society and good order.	High social cohesion is reported from the results of national surveys by the Scanlon Foundation 'Mapping Social Cohesion' and the annual Lowy Institute Poll.	<p>This measure was met. The Scanlon Foundation <i>Mapping Social Cohesion Survey 2017</i> reported that "The Scanlon Foundation surveys find consistency in the level of acceptance of immigration and cultural diversity and a large measure of stability across key indicators of social cohesion". It found when polling the question 'to what extent do you have a sense of belonging in Australia' that 92 per cent of respondents indicated that they felt this to be a great or moderate extent, up slightly from 91 per cent in 2016. This is a strong indicator of social cohesion. The report also found that 85 per cent of respondents believed that multiculturalism has been good for Australia, up slightly from 83 per cent in 2016.⁶</p> <p>The 2018 Lowy Institute Poll found for the first time in Lowy Institute polling, that a majority (54 per cent, a 14-point rise from 2017) of Australians say the 'total number of migrants coming to Australia each year' is too high. However, the poll also found the same-sized majority saying that 'Australia's openness to people from all over the world is essential to who we are as a nation'⁸, demonstrating the complexity of public perception and its relationship to social cohesion outcomes.</p>

6 The survey sample size for all surveyed migrants is approximately 12,100 people and is comprised of adult Skill stream primary applicant migrants, their migrating partners and Family stream Partner visa migrants

7 http://scanlonfoundation.org.au/wp-content/uploads/2014/05/ScanlonFoundation_MappingSocialCohesion_2017.pdf

8 <https://www.lowyinstitute.org/publications/2018-lowy-institute-poll>

SPM 2.2 Provision of orderly and planned humanitarian pathways contributes to the global management of refugees and displaced persons.

Source: Department of Immigration and Border Protection Corporate Plan 2017–18 p.27

SPM	Key Performance Indicator	Measurements	Results
2.2.1	Plan for and deliver the Humanitarian Programme, using best available contemporary information.	The Humanitarian Programme is delivered within the planning ceiling set by the Government for each category.	<p>This measure was met. In 2017–18 the Government increased the Humanitarian Program ceiling to 16,250 places from 13,760 in 2016–17. This was fully delivered, with 16,250 visas granted comprising: 14,825 visas under the offshore component⁹ and 1,425 under the onshore component¹⁰.</p> <p>The offshore component comprised 7,909 visas granted under the refugee category and 6,916 granted under the Special Humanitarian Program. The offshore program intake was drawn from the Middle East, Asia and Africa in the proportions agreed to by the Minister.</p> <p>Consistent with Government priorities, visas were granted to families and vulnerable women and children. Consistent with previous years, the target for vulnerable women and children of 1,550 places was exceeded, with more than 2,100 visas granted.</p>
2.2.2	The number of primary decisions made in the illegal maritime arrivals (IMA) legacy caseload, leveraging relevant intelligence.	Average days to determine cases is decreasing compared with the previous years.	<p>This measure was not met. The average days from lodgement to primary decision increased by 43.2 days from 340.9 days in 2016–17 to 384.1 days in 2017–18.</p> <p>The reason the measure was not met was due to a significant increase in the number of on-hand applications resulting from the 1 October 2017 deadline for IMAs to lodge their protection claims as announced by the Government. The Department applies a rigorous assessment process to ensure the legitimacy of protection claims.</p> <p>More than 99 per cent of IMAs lodged their applications before the deadline or departed Australia, with more than 7,400 applications received between May and October 2017. As a result, the number of on-hand applications with the Department increased, correlating to a rise in the average number of days taken to determine a case.</p> <p>The Department continues to ensure that there are sufficient resources to resolve the remaining on-hand applications as efficiently as possible without compromising national security, noting that this is the largest immigration status resolution exercise the Department has undertaken in decades.</p>

SPM	Key Performance Indicator	Measurements	Results
2.2.3	Inform illegal maritime arrivals (IMA) about the need to apply for a Temporary Protection visa or Safe Haven Enterprise visa to resolve status.	Increasing percentage of IMA legacy caseload resolutions year-on-year compared with the previous years.	<p>This measure was met. The proportion of IMAs who received a decision increased by 24 per cent between 2016–17 to 2017–18.</p> <p>In 2016–17, 12,687 IMAs (41 per cent of the 30,645 caseload) had been decided or otherwise resolved. In 2017–18, 21,076 IMAs (65 per cent of the 32,414¹¹ caseload) had been decided or otherwise resolved.</p> <p>When the application deadline for the legacy caseload was announced, approximately 7,500 IMAs were yet to apply for a Temporary Protection (TPV) or Safe Haven Enterprise (SHEV) visa. The Department implemented a comprehensive strategy to ensure these IMAs were aware of the deadline and able to apply. This included providing additional assistance in the form of interpreter support and, for the most vulnerable, funded access to migration agents. The Department also contacted all individual IMAs who had not lodged an application, using a range of channels, and undertook broad community awareness-raising activities. After the 1 October 2017 deadline, only 71 out of 32,414 IMAs in Australia had not lodged an application.</p>
2.2.4	Implement whole-of-government strategies to accelerate resolution of non-bona fide protection applications.	Average days to determine cases is decreasing compared with the previous year.	<p>This measure was met. The average days to determine a protection visa, from lodgement to primary decision, decreased by 25 days from 256 days in 2016–17 to 231 days in 2017–18.</p> <p>The number of onshore permanent Protection (subclass 866) visa applications being lodged has more than tripled since 2014–15. A number of these are attributable to non-citizens making unmeritorious claims for protection as a means of delaying their departure from Australia. Of the 14,959 protection visa decisions made in 2017–18, over 90 per cent were refusals.</p> <p>The Department expedited decisions in prima facie unmeritorious cases to reduce risk to the community while ensuring the Department is making robust decisions and adhering to Australia's international obligations.</p>

91011

9 Where applicants are outside Australia at time of application lodgement

10 Where applicants are in Australia at time of applying

11 The increase in caseload numbers is due to children being born and included on a parent's application.

SPM 2.3 Facilitation of legitimate travel, streamlined visa and citizenship processing and the provision of advice promotes seamless client access.

Source: Department of Immigration and Border Protection Corporate Plan 2017–18 p.27

SPM	Key Performance Indicator	Measurements	Results
2.3.1	Provide high quality information and self-service channels to facilitate travel and reduce client service costs.	<p>Analysis of website usage and client feedback demonstrates the user experience is improving.</p> <p>Increase in the number (in proportion to the volume) of travellers who are eligible to use SmartGates at Australian airports.</p>	<p>This measure was met. There was a 5 per cent increase in the number of users of the Department's website from 27 million in 2016–17 to 28.3 million in 2017–18. Analysis demonstrates the user experience is improving:</p> <ul style="list-style-type: none"> » the number of pages viewed per session and the average session duration were lower¹², indicating a positive trend that users were able to effectively navigate the website to acquire information or complete tasks. » the bounce rate (the percentage of users who visit our website and leave after viewing only one page) also slightly decreased from last year, indicating users are more likely reaching the information they require. <p>In addition, in 2017–18 extensive client feedback research was undertaken to understand how and why users utilise the website and to understand their needs and expectations. This included a survey of 35,000 clients around the world. This research will inform the rollout of the new website in 2018–19.</p> <p>In 2017–18, arrivals SmartGate eligibility was expanded to include 11 additional countries, bringing the total number of eligible countries to 28.</p> <p>In this period there was a slight increase in the adoption of SmartGate automated border processing, where 79 per cent of all inbound travellers were eligible to use a SmartGate. Of this cohort, 59 per cent of inbound travellers used SmartGates. In 2016–17, 79 per cent of all inbound travellers were SmartGate eligible; and 57 per cent of them used SmartGate.</p> <p>While 11 additional countries are now eligible to use SmartGates, not all of their citizens will be able to use the service as access to SmartGates is limited to travellers with an e-passport and the ability to communicate in one of the programmed languages.</p>

SPM	Key Performance Indicator	Measurements	Results
2.3.2	Streamline visa and citizenship processing using a risk management approach.	<ul style="list-style-type: none"> » Expand accessibility to online visa lodgement for applicants. » An increase in the take up rate for online visa and citizenship lodgement compared with the previous year. 	<p>This measure was met. During 2017–18 more than 4.7 million forms¹³ were lodged online compared with approximately 3.5 million for the previous year, a growth rate of 36 per cent. This increase was a result of the Department's continued commitment to enhancement of its online lodgement services, supported by a strong risk management approach.</p> <p>Some of the new online offerings provided by the Department in 2017–18 were:</p> <ul style="list-style-type: none"> » Lodgement of temporary and permanent protection visas and Safe Haven Enterprise Visas (subclass 790) visas » Extending online lodgement of visitor visas to Indian and Indonesian passport holders » Lodgement for the new Preferred Pathway stream of the Skilled Independent (subclass 189) visa for New Zealand citizens <p>In 2017–18, there was an increase in the take-up rate for online visa and citizenship lodgement compared with the previous year:</p> <ul style="list-style-type: none"> » 90 per cent of all visa applications were lodged electronically (up 8 per cent from 2016–17), with a high take up rate of online lodgement in the visitor visa markets of China and India » 71 per cent of applications for citizenship by conferral were lodged electronically (up 15 per cent from 2016–17).

12 Pageviews 2017–18: 235,496,080. Pageviews 2016–17: 236,244,343. Session Duration 2017–18: 00:04:21 (hh:mm:ss).
Session Duration 2016–17: 00:04:26 (hh:mm:ss).

13 Forms refer to both application and administrative forms

SPM 2.4 Collaboration with the international community contributes to the global effort to provide international protection, facilitates legitimate travel, and deters the unauthorised movement of people.

Source: Department of Immigration and Border Protection Corporate Plan 2017–18 p.28

SPM	Key Performance Indicator	Measurements	Results
2.4.1	Engage with partner states to increase capability, assisting to facilitate legitimate travel.	Qualitative assessment demonstrates positive impact of engagement with partner states on travel facilitation.	<p>This measure was met. Throughout the year, the Department regularly engaged with partner states to increase capability to facilitate legitimate travel. This included coordination and delivery of a range of multilateral initiatives and funding of capacity building activities to share and build technical skills across the region.</p> <p>A sample of activities demonstrates this:</p> <ul style="list-style-type: none"> » The Department continued to chair and convene the Asia-Pacific Economic Cooperation (APEC) Business Mobility Group and continued implementation of the APEC Business Travel Card Scheme in Australia. Support was also provided to implement the scheme in other economies to streamline entry processes. » The Department developed and co-delivered a series of facial image analysis training packages with the Thai Immigration Bureau to support Thai efforts in combating human trafficking activity in the region. This also enriched the Australian Government's understanding of regional threats to Thai land borders and key transport hubs. » The Department delivered a facial image comparison training course to immigration and customs officials from Papua New Guinea to support preparations for the 2018 Asia-Pacific Economic Cooperation forum. This training enhanced the capacity of officials to identify suspect travellers.

SPM	Key Performance Indicator	Measurements	Results
2.4.2	Engage with partner states to support and strengthen practical cooperation on refugee protection and international migration.	Qualitative assessment demonstrated positive impact of engagement on international cooperation of refugee protection and international migration matters.	<p>This measure was met. The Department continued to engage with partner states to support and strengthen practical cooperation on refugee protection and international migration in 2017–18 by:</p> <ul style="list-style-type: none"> » Supporting United Nations High Commissioner for Refugees in Indonesia to assist with the orderly treatment and status determination of asylum seekers and refugees in country. » Supporting the Japan Immigration Bureau in drafting new immigration legislation in Japan to better address refugee protection. » Giving the Cambodian Department of Refugees, within the General Department of Immigration, means to develop a refugee case management database system to centralise and streamline assessing and processing refugee cases. <p>Consistent with regional processing arrangements, Australia remains committed to working with Papua New Guinea (PNG) and Nauru to resolve the regional processing caseload through resettlement, returns and removals. On 13 November 2016 the Government announced that Australia had reached a new one-off resettlement arrangement with the United States (US) for refugees in Nauru and Papua New Guinea. Implementation of the US Resettlement Arrangement is progressing, with 292 refugees (108 from PNG and 184 from Nauru) resettled in the US as at 30 June 2018.</p> <p>In addition to the US Resettlement Arrangement, Australia:</p> <ul style="list-style-type: none"> » continued to support Nauru determined refugees to resettle in Cambodia under the Cambodia Resettlement Arrangement. » continued to support Papua New Guinea to identify durable migration outcomes for all persons in country, including settlement in Papua New Guinea or another third country and voluntary returns home or to a country to which they have right of entry.

SPM	Key Performance Indicator	Measurements	Results
2.4.3	Engage with partner states to deliver direct humanitarian assistance to refugees and displaced populations.	Qualitative assessment demonstrated positive impact of humanitarian assistance projects to refugees and displaced populations.	<p>This measure was met. In 2017–18, the Department funded a range of capacity building activities through the Department's International Capacity Building Program. Relevant projects included:</p> <ul style="list-style-type: none"> » CARE Australia's Syrian crisis project to improve protection and resilience for refugees and Jordanians affected through the Syrian crisis. » the Church World Service to provide shelter and services to particularly vulnerable asylum seekers and refugees in Jakarta. » various return and reintegration projects in Tamil Nadu, India to give Sri Lankan refugees increasing access to essential services and training to build social and employment opportunities. » the Malaysian Social Research Institute to help asylum seekers and refugees to access specialist mental health care (trauma focused treatment) and expand community based non-specialist focused psychosocial resources (trauma informed care) <p>Under the Regional Cooperation Arrangement, the Department also continued to fund the International Organisation for Migration (IOM) to assist Indonesia in managing irregular migrants by providing support for those held in Indonesian detention and community accommodation facilities.</p>

SPM 2.5 Effective regulatory, enforcement, detention and status resolution activities promote compliance and promotes timely status resolution at the lowest economic impact to Government.

Source: Department of Immigration and Border Protection Corporate Plan 2017–18 p.28

SPM	Key Performance Indicator	Measurements	Results
2.5.1	Encourage voluntary compliance to reduce overall non-compliance.	<p>More than 99 per cent of temporary entrants remain lawful while in Australia.</p> <p>More than 75 per cent of unlawful non-citizens engage voluntarily with the Department to resolve their visa status.</p> <p>The number of people and organisations conducting visa entitlement verification online (VEVO) checks, and the number accessing status resolution information, increases when compared with the previous year.</p>	<p>This measure was partially met. In 2017–18, more than 99 per cent of temporary entrants remained lawful. This is consistent with the 99 per cent outcome in 2016–17. However, the partial outcome is due to a small reduction in voluntary disclosures to the Department (the second measurement).</p> <p>During 2017–18, 73 per cent of people who contacted the Department for assistance with resolving their immigration status did so voluntarily; with the remaining 27 per cent located through ABF enforcement activities or by other law enforcement agencies. Although the number of non-citizens who approached the Department voluntarily slightly decreased in comparison to the 75 per cent outcome achieved in 2016–17, levels of voluntary compliance have remained relatively steady over the last four financial years. The slight decrease in voluntary approaches to the Department coincides with changes to the Status Resolution Program and the introduction of online service provisions.</p> <p>There was a substantial increase in employer awareness of the need to ensure that non-citizens have a legal right to work. In 2017–18, 11,462,700 VEVO visa status and entitlements checks were conducted by organisations and individuals, an increase of 42 per cent compared with the 8,056,438 checks conducted in 2016–17. The increase occurred at the same time as significant publicity around the new temporary skilled worker visa, along with highly publicised Fair Work Ombudsman inquiries into non-compliance with federal workplace laws.</p>
2.5.2	Migration status of unlawful non-citizens and Bridging Visa E (BVE) holders is resolved in a timely and cost-effective manner.	More than 90 per cent of people engaged with the status resolution programme are managed on BVEs, when compared with those managed in immigration	<p>This measure was met. The Department employs a status-resolution focussed, risk-based approach to managing unlawful non-citizens. Where possible, the Department manages non-citizens in the community, resulting in cost-effective status resolution. Individuals are detained when they cannot be appropriately managed in the community, and for as short a period as possible.</p>

SPM	Key Performance Indicator	Measurements	Results
		<p>detention and through residence determination.</p> <p>More than 75 per cent of people detained under s.189 have their status resolved, or are placed in the community, within 90 days of being detained.</p>	<p>In 2017–18, the Department exceeded the target set for the percentage of people managed in the community on Bridging E visas (BVEs), with 94 per cent (or 28,238 people) holding BVEs at 30 June 2018, and the remaining 6 per cent managed in detention. This is in comparison to 95 per cent (or 31,507 people) holding BVEs as at 30 June 2017. This slight decrease is attributed to a reduction in the total number of non-citizens requiring BVEs in the community, not to an increase in the number of people detained.</p> <p>Time spent detained was minimised – with 87 per cent of people detained under s189 of the <i>Migration Act (1958)</i> having their status resolved or placed in the community within 90 days. This is the same as the 2016–17 result.</p>

Purpose 3: Advance trade and revenue

Table 7 – Purpose three performance criteria

DIBP Corporate Plan 2017–18 Purposes	Strategic Performance Measure 3.1 Effective collection of revenue, detection of revenue evasion and compliance with border revenue laws and processes advances Australia’s economic interest.
	Strategic Performance Measure 3.2 Facilitation of legitimate trade and movement of goods, provision of advice and engagement with industry supports seamless trade.
	Strategic Performance Measure 3.3 Collaboration with international community contributes to consistent trade practices, facilitates legitimate trade and the movement of goods, and reduces security risk within global supply chains.
DIBP Portfolio Budget Statement 2017–18 Programs and Outcomes	Outcome 1 Protect Australia’s sovereignty, security and safety by managing its border, including through managing stay and departure of all non-citizens.
	..... Program 1.5 Regional cooperation
	Outcome 3 Advance Australia’s economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.
	..... Program 3.1 Border-Revenue Collection
	..... Program 3.2 Trade Facilitation and Industry Engagement

Purpose three at a glance – 2017–18

Figure 8 – purpose three at a glance

REVENUE COLLECTED

\$17,240.5 million

customs duty, passenger movement charges
and import processing charges

\$2,026.3 million

visa application charges

TRADE, CUSTOMS AND REVENUE

5,512,478

import and export entries



93,709

sea cargo items inspected



1,798,426

air cargo items inspected



54.6 million

international mail items inspected



2,550

detections supported by
detector dogs (passenger and cargo)

Purpose 3—Advance Trade and Revenue

Analysis of performance against Purpose 3

Home Affairs achieved Purpose 3: Advance Trade and Revenue in 2017–18

In 2017–18, the Department and ABF continued to facilitate and manage growing volumes of trade and movements of goods in a complex global security environment. Along with growth in volume, the Department and ABF also increased the level of significant revenue collection to \$19,266.8 million. This revenue comprised customs duty, import processing charges, passenger movement charges and visa application charges.

The Department remains committed to ensuring that the application of border fees align with the Government's fiscal and policy objectives. At the same time, the ABF is focussed on disrupting revenue evasion and noncompliance.

Applying new Departmental intelligence resources over the last two financial years, the ABF has focused on high-risk entities and cargo movements as well as removing red tape for trusted traders. This has enabled higher and more frequent volumes of legitimate trade to pass through our borders. The positive, seamless trade experience that legitimate traders enjoy encourages repeat or increased business, contributing to consumer confidence and Australia's economy. In 2017–18 the Department also expanded the Australian Trusted Trader (ATT) program, with an additional 157 trusted entities joining the program.

In 2017–18, this approach assisted improved compliance with border revenue laws. The Department and ABF also continued to support industry compliance with relevant import and export documentation. During this period, the ABF delivered continuing professional development training to licensed customs brokers at a range of symposiums organised by peak industry bodies. These presentations focused on achieving voluntary compliance that facilitates trade through such steps as lodging accurate and timely import declarations, providing sufficient assurance to address the prohibition on importing asbestos and materials containing asbestos, and making voluntary disclosures when discrepancies are identified. This outreach coincided with a small increase in compliant import declarations compared with the previous year (up 6 per cent to 77 per cent).

In addition, seven new benefits for trade were introduced in 2017–18. These benefits included opportunities to reduce red tape for importers through the Consolidated Cargo Clearance, and for all business through streamlined access to the APEC Business travel card. A number of Mutual Recognition Arrangements (MRA) were also signed, including MRAs with Canada, the Republic of Korea, Hong Kong, the People's Republic of China, and Singapore. Exporters benefit from MRAs through being able to receive a more streamlined regulatory approach in partner states. During 2017–18, the Department continued to engage with the international community to improve consistency in global trade practices. This included regular bilateral engagement with peak trade and customs bodies. While engagement was ongoing throughout the financial year, no formal survey was undertaken to measure the improvement in consistency of global trade practices. This resulted in the partial achievement of KPI 3.3.2.

During the 2017–18 reporting period, the Department and ABF maintained or improved its client service standards with refunds and drawbacks¹⁴ under the Refund Scheme, as well as valuations and rules of origin advices. The processing time for tariff classifications increased during 2017–18, due to an increase in the number of requests. This led to partial achievement of measures in KPI 3.2.1.

Detailed performance information related to Purpose 3 and results for each measurement is in Table 8 below.

Table 8 – Purpose 3 performance information

SPM 3.1 Effective collection of revenue, detection of revenue evasion and compliance with border revenue laws and processes advances Australia's economic interest.

*Source: Department of Immigration and Border Protection Corporate Plan 2017–18 p.29
PBS Program 3.1 p.46*

SPM	Key Performance Indicator	Measurements	Results
3.1.1	Process refunds and drawbacks under the Refund Scheme.	Refunds and drawbacks under the Refund Scheme are delivered in accordance within service standards.	<p>This measure was met. This measure was met. The Department maintained or delivered improvements against its service standards for refunds and drawbacks in 2017–18:</p> <ul style="list-style-type: none"> » 91 per cent of drawbacks¹⁵ were processed within client service standards (within 30 days of receiving all required information), an improvement of 6 per cent compared with 2016–17. » 98 per cent of refunds delivered via revenue management were also within client service standards which is consistent with the level delivered in 2016–17.
3.1.2	Undertake activities, including issuing penalties, to ensure compliance with border revenue laws and processes.	Increase in the rate of compliance compared with the previous year.	<p>This measure was met. The Department actively targets non-compliance and issues infringement notices where appropriate. The ABF's transition from a transactional monitoring approach to utilising intelligence-informed compliance activities over the last two financial years has resulted in more efficient use of resources allocated to compliance activities for revenue collection.</p> <p>The rate of compliance compared with the previous year showed improvement, in 2017–18:</p> <ul style="list-style-type: none"> » the number of infringements and penalties issued relating to revenue compliance was the same as 2016–17 (31), despite an increase in the volume and value of goods crossing the border.

¹⁴ The Duty Drawback Scheme enables exporters to obtain a refund of customs duty paid on imported goods where those goods will be treated, processed, or incorporated in other goods for export, or are exported unused since importation.

SPM	Key Performance Indicator	Measurements	Results
			<p>» there was a decrease in the number of revenue non-compliance matters occurring after goods had entered Australia, identified through retrospective targeted compliance activities where outstanding revenue is recovered post border. These retrospective occurrences decreased from 12,857 in 2016–17 to 11,168 in 2017–18.</p>
3.1.3	Level of significant revenue collected against budget: Visa Application Charge, Customs duty, Import Processing Charge and Passenger Movement Charge.	Total amount of revenue collected from the Visa Application Charge, Customs duty, Import Processing Charge and Passenger Movement Charge in accordance with Government settings.	<p>This measure was met. The Department and ABF contributed significantly to the continued health of the Australian economy in 2017–18 by collecting revenue on behalf of the Commonwealth. Revenue totalling \$19,266 million was collected from customs duty, visa application charges, passenger movement charges and import processing charges.</p> <p>This revenue was in-line with/exceeded PAES estimates.</p> <p>Customs duty revenue raised</p> <p>\$ 15,689.0 million (Actual 2017–18) \$ 14,799.3 million (Target 2017 –18)</p> <p>Import Processing Charge</p> <p>\$ 417.2 million (Actual 2017 –18) \$ 407.2 million (Target 2017 –18)</p> <p>Passenger Movement Charge</p> <p>\$ 1,134.3 million (Actual 2017 –18) \$ 1,088.5 million (Target 2017 –18)</p> <p>Visa Application Charge</p> <p>\$2,026.3 million (Actual 2017 –18) \$2,247.7 million (Target 2017 –18)</p>

15 The Duty Drawback Scheme enables exporters to obtain a refund of customs duty paid on imported goods where those goods will be treated, processed, or incorporated in other goods for export, or are exported unused since importation.

SPM 3.2 Facilitation of legitimate trade and movement of goods, provision of advice and engagement with industry supports seamless trade.

Source: *Department of Immigration and Border Protection Corporate Plan 2017–18 p.29*
PBS Program 3.2 p.47

SPM	Key Performance Indicator	Measurements	Results
3.2.1	Percentage of tariff classification, valuation and rules of origin advices completed within service standards.	Services and support provided to industry - regarding tariff classification, valuation and rules of origin advice - completed within service standards.	<p>This measure was partially met. One of the service standards was not maintained or improved, due to an increase in requests for advice.</p> <p>The Department and ABF contributed to promoting Australia as a preferred trade option by ensuring a positive, seamless trade experience for legitimate traders. Client service standards set minimal processing times, giving traders' confidence that legitimate cargo will be moved through our borders in a timely fashion.</p> <p>In 2017–18, performance against the standards were:</p> <ul style="list-style-type: none"> » 75 per cent of tariff classifications met the client service standards (advice provided within 30 days of receiving all required information) compared with 81 per cent in 2016–17. This decrease in meeting the service standard was primarily due to an increase in tariff classification requests. » valuations and rules of origin advices improved significantly with 90 per cent processed within service standards (advice provided within 30 days of receiving all required information) compared with 58 per cent in 2016–17, contributing to a seamless trade experience for consumers.
3.2.2	Assist and support stakeholders to submit compliant Import and Export Declarations (pre-clearance) via the general monitoring programme.	Increased level of compliant Import and Export Declarations (pre-clearance) compared with the previous year	<p>This measure was met. There was an increase in compliant Import and Export Declarations (pre-clearance) compared with the previous year.</p> <p>Import compliance was 77 per cent in 2017–18, up from 72 per cent in 2016–17. Export compliance was 68 per cent in 2017–18, up from 60 per cent in 2016–17.</p> <p>The changes in compliant import and export declarations year to year is impacted by market, global and economic influences in the trade domain. While these factors fall outside the control of the Department and ABF, the increase in compliance indicates a positive trend of industry's willingness to comply with Australia's trade laws.</p>

SPM	Key Performance Indicator	Measurements	Results
			<p>The Department and ABF provide support to help industry to comply with relevant import and export documentation. In 2017–18, the ABF also delivered continuing professional development training to licensed customs brokers at a range of symposiums organised by peak industry bodies. These presentations focused on achieving voluntary compliance that helps to facilitate trade through such measures as lodging accurate and timely import declarations, providing sufficient assurance to address the prohibition on the importation of asbestos and materials containing asbestos, and making voluntary disclosures when discrepancies are identified.</p>
3.2.3	Effective industry engagement to enhance compliant behaviour.	Increase in voluntary compliance resulting from the range of industry engagement initiatives compared with the previous year.	<p>This measure was met. Revenue from voluntary disclosures increased by 291 per cent from \$34.6 million in 2016–17 to \$135.4 million in 2017–18. These disclosures rely upon self-reporting and fluctuations in the value of understatements from year to year are common. The increased level of disclosures demonstrates a positive behaviour that reflects industry's awareness of the need to voluntarily self-report errors to correct information.</p> <p>During 2017–18 the ABF presented at a range of industry forums on voluntary behaviours in trade and goods compliance. This included: the Industry Summit; the annual conference of the Customs Brokers and Forwarders Council of Australia; and the inaugural Industry Operational Training Session and through the regular meetings of the Trade and Goods Compliance Advisory Group and regional Trade Facilitation Forums.</p>
3.2.4	Implement innovative measures to facilitate the passage of legitimate trade.	Number of Trusted Traders increases compared with the previous year.	<p>This measure was met. In 2017–18, there were 157 new entities accredited for the Australian Trusted Trader (ATT) program. This is an increase from the 36 entities accredited in 2016–17, the first year of the program.</p> <p>The ATT program supports the facilitation of legitimate trade and better targeting of non-compliant trade while also benefiting a broad range of Australian businesses. ATT aims to grow by targeting a mix of small and medium-sized businesses as well as high-value, high-volume business and business from regional Australia.</p>

SPM 3.3 Collaboration with international community contributes to consistent trade practices, facilitates legitimate trade and the movement of goods, and reduces security risks within global supply chains.

Source: *Department of Immigration and Border Protection Corporate Plan 2017–18 p.30*

SPM	Key Performance Indicator	Measurements	Results
3.3.1	Engage with partner states to increase capability to facilitate legitimate trade, movement of goods and improve security in global supply chains.	Qualitative assessment demonstrates positive impact of engagement on the facilitation of legitimate trade, movement of goods and global supply chain security.	<p>This measure was met. In 2017–18 the Department continued to engage with partner states to increase their capability to facilitate legitimate trade, movement of goods and improve security in global supply chains.</p> <p>A sample of engagements and the positive impacts include:</p> <ul style="list-style-type: none"> » signing of Mutual Recognition Arrangements (MRA) to benefit Australian exporters through receiving a streamlined customs clearance process in partner states. In 2017–18 MRAs were signed with Canada, the Republic of Korea, Hong Kong, the People's Republic of China, and Singapore. » Supporting Fiji as Regional Vice Chair of the World Customs Organisation (WCO), including assistance with hosting the Regional Contact Points (RCP) meeting. At the RCP meeting, Australia's proposal to establish a Counter-Terrorism Working Group was endorsed. Through this mechanism, information and expertise will be shared to improve facilitation and security outcomes.
3.3.2	Engage with the international community to improve consistency in global trade practices.	Improvement in consistency of global trade practices, reported through department survey of industry groups.	<p>This measure was partially met. While a formal survey was not undertaken to measure the improvement in consistency of global trading practices, the Department regularly engaged with industry on shared challenges and opportunities for international trade, facilitating discussion on emerging supply chain and business process trends, including e-commerce and new technologies, and the introduction of a single window for international trade.</p> <p>In 2017–18, the Department maintained regular bilateral engagement with peak trade and customs industry bodies, including the Conference of Asia Pacific Express Carriers; Freight and Trade Alliance; and the Customs Brokers and Freight Forwarders Council of Australia. Through these dialogues, the Department sought industry's feedback on existing trade practices to inform and implement improvements to trade practices.</p>

SPM	Key Performance Indicator	Measurements	Results
			<p>The Department also continued to engage meaningfully with our international and regional partners to improve consistency in global trade practices. In 2017-18, the Department increased its representation in the WCO, by leading and participating in WCO committees and working groups on trade and customs matters.</p> <p>Through the Departments membership on the WCO Policy Commission, and as Chair of the WCO Enforcement Committee, it influenced international Customs reform and enforcement activities to better align with our priorities. As chair of the WCO E-commerce Working Group, the Department was instrumental in establishing a cross border E-commerce framework of standards to ensure consistency and harmonisation in how global customs administrations manage E-commerce.</p> <p>The Department also signed a memorandum of understanding (MoU) with Korea Customs for the placement of a Korean Customs official in the Australian Strategic Policy Institute, to conduct and develop strategic research products on customs enforcement procedures that could lead to consistent global practices.</p>

Additional performance measures

The *Department of Immigration and Border Protection Corporate Plan 2017–18* was published on 31 August 2017, ahead of the formal establishment of the Department of Home Affairs on 20 December 2017. Performance measures belonging to the functions subject to machinery-of-government (MoG) changes and transferred into the new Department of Home Affairs appeared in the corporate plans of their originating agency.

The Department is required to report against the performance measures of the incoming MoG functions in accordance with section 16F of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), which mandates that where a function or office is transferred between entities, the gaining entity will take responsibility for the mandatory reporting requirements.

The Attorney-General's Department Performance Measures transferred to the Department as part of the MoG changes relied on a survey of stakeholders. The Department maintained this approach for consistency and completed the survey for the relevant 2017–18 performance measures.

A range of stakeholders across the private, and public sectors and other government agencies were contacted for the survey, although all responses were anonymous. In total, the survey resulted in 228 responses, with valid response rates across questions for three categories: national security, law enforcement and emergency management. This approach will not be used in 2018–19 when we will apply a different methodology to assess performance.

Table 9 provides information on the additional performance measures from the Department of Infrastructure and Regional Development and the Attorney-General's Department. An analysis of each performance measure that transferred is included on pages 80 to 93.

Table 9 – Additional performance measures

Previous agency	Key performance indicators		Corporate plan
Department of Infrastructure and Regional Development	Purpose: Support economic growth through transport		
	8.	Degree to which transport security regulations meet international standards for the secure movement of people and freight.	Department of Infrastructure, Regional Development and Cities Corporate Plan 2017–18 p.12
	9.	Changes to transport security regulations are proportionate to the risk being managed.	
	Purpose: Keeping transport secure		
	24.	Changes to transport security regulations are focussed on the highest risk.	Department of Infrastructure, Regional Development and Cities Corporate Plan 2017–18 p.28
	25.	Regulated industry participants' understanding of security risk to their operations and their obligations under the transport security regulatory regime.	
	26.	Compliance by regulated industry participants with their transport security obligations.	
	27.	The extent to which international standards are influenced and the transport security capability of our regional partners improved.	

Previous agency	Key performance indicators		Corporate plan
Attorney-General's Department	Strategic Priority 2 – Security		
	SP2.1	Our effectiveness in achieving objectives.	<i>Attorney-General's Department Corporate Plan 2017–18 p.9</i>
	SP2.2	Our efficiency in meeting our goals	<i>Attorney-General's Department Corporate Plan 2017–18 p.9</i>
	SP2.3	Our professionalism, skills and commitment	<i>Attorney-General's Department Corporate Plan 2017–18 p.9</i>
	SP2.4	Our community impact	<i>Attorney-General's Department Corporate Plan 2017–18 p.9</i>
	SP2.5	Our community impact	<i>Attorney-General's Department Corporate Plan 2017–18 p.9</i>
	Strategic Priority 4 – Crime		
	SP4.1	Our effectiveness in achieving objectives.	<i>Attorney-General's Department Corporate Plan 2017–18 p.13</i>
	SP4.2	Our efficiency in meeting our goals	<i>Attorney-General's Department Corporate Plan 2017–18 p.13</i>
	SP4.3	Our professionalism, skills and commitment	<i>Attorney-General's Department Corporate Plan 2017–18 p.13</i>
	SP4.4	Our community impact	<i>Attorney-General's Department Corporate Plan 2017–18 p.13</i>
	Strategic Priority 6 – Emergency Management		
	SP6.1	Our effectiveness in achieving objectives.	<i>Attorney-General's Department Corporate Plan 2017–18 p.17</i>
	SP6.2	Our efficiency in meeting our goals	<i>Attorney-General's Department Corporate Plan 2017–18 p.17</i>
	SP6.3	Our professionalism, skills and commitment	<i>Attorney-General's Department Corporate Plan 2017–18 p.17</i>
	SP6.4	Our professionalism, skills and commitment	<i>Attorney-General's Department Corporate Plan 2017–18 p.17</i>

Performance Measures transferred from the Department of Infrastructure, Regional Development and Cities – analysis

Purpose: Support economic growth through transport

Success measure 8 <i>Source: Department of Infrastructure, Regional Development and Cities Corporate Plan 2017–18 p.12</i>	
What will be measured to indicate success?	Result
Degree to which transport security regulations meet international standards for the secure movement of people and freight.	<p>This measure was met. International Civil Aviation Organization (ICAO) audits of Australia are conducted approximately every five years and examine how Australia has met the requirements of Annex 17¹⁶ to the Convention on International Civil Aviation. The last audit of Australia's aviation security oversight system was undertaken in October 2016 and a compliance rating of over 95 per cent was achieved¹⁷.</p> <p>The 2017–18 Federal Budget announcement of strengthened aviation screening requirements for all airports will ensure that Australia is compliant with new ICAO Standards on security screening, introduced in Amendment 16 to Annex 17.</p>
Target result	
95 per cent or more ICAO audit result.	

Success measure 9 <i>Source: Department of Infrastructure, Regional Development and Cities Corporate Plan 2017–18 p.12</i>	
What will be measured to indicate success?	Result
Changes to transport security regulations are proportionate to the risk being managed.	<p>This measure was met. During 2017–18, close work with industry participants, particularly regional airports, assisted the implementation of new security and screening requirements relevant to the risk environment.</p> <p>New regulatory settings will be introduced in 2018–19 to provide smaller industry participants with greater flexibility to deliver security outcomes, while not being subject to the broader range of regulatory requirements of larger participants. These new security measures reflect the changed security environment and set security requirements that are commensurate with the different risks faced by different airports.</p>
Target result	
Regulatory impact on industry is reduced.	

16 Annex 17 – Security: Safeguarding International Civil Aviation against Acts of Unlawful Interference.

17 It is an ICAO standard not to release actual results.

Purpose: Keeping transport secure

Success measure 24 Source: *Department of Infrastructure, Regional Development and Cities Corporate Plan 2017–18 p.28*

What will be measured to indicate success?	Result
Changes to transport security regulations are focussed on the highest risk.	This measure was met. During 2017–18, new inorganic powder restrictions were introduced limiting the volume of powders that could be carried in cabin baggage on aircraft flying from Australia. This was in direct response to emerging high risks in the security environment.
Target result	Consultation with industry on the proposed introduction of air cargo screening requirements for all countries (beyond the current US only requirements) under the <i>Aviation Transport Security Act 2004</i> has occurred. This follows the decision by the Minister for Home Affairs in April 2018 for all outbound air cargo security to be regulated to reflect the increased threat environment.
Where there is a change in the security environment, all regulatory changes are focused on addressing the highest risk.	

Success measure 25 Source: *Department of Infrastructure, Regional Development and Cities Corporate Plan 2017–18 p.28*

What will be measured to indicate success?	Result
Regulated industry participants' understanding of security risk to their operations and their obligations under the transport security regulatory regime.	This measure was partially met. Data sources have been established to monitor regulated industry participant's understanding of security risk and knowledge of obligations. A baseline is still being established based on the significant volume of industry responses. Data has been collected through industry surveys, compliance activities and industry reporting (particularly through contact to the central Transport Security Guidance Centre). This data is being analysed to establish a baseline which will inform understanding of how well the various regulated industry sectors understand different elements of their regulatory requirements, including the risk to their operations and newly introduced regulation.
Target result	Regulated businesses have been supported to understand their security risk and their obligations under the transport security regulatory regime through the following: » Four compliance campaigns were completed over 2017–18. This improved industry's understanding of current threats and provide information and guidance about regulatory obligations. The campaigns focussed on screening and security requirements in the air cargo and aviation sectors.
By 2017–18: have source data and establish a baseline to monitor progress and inform targets.	

What will be measured to indicate success?	Result
	<ul style="list-style-type: none"> » The Transport Security Guidance Centre received 2,498 enquiries from businesses in 2017–18. Enquiries peaked after significant regulatory changes came into effect for the Aviation Security Identity Card (ASIC) and Maritime Security Identification Card (MSIC) schemes. » Industry engagement activities with ASIC and MSIC issuing bodies were conducted in Canberra, Melbourne, Brisbane and Perth with 136 industry participants attending. These forums provided an important mechanism, allowing feedback to be provided both ways on regulatory issues. » 12 Security Updates were issued to industry, advising of new and updated transport security risks or additional screening requirements. In addition, the <i>Transport Security Outlook to 2025 – Security Environment Review Update</i> was published in October 2017, providing awareness for the Australian transport industry of the current transport security environment.

Success measure 26 Source: <i>Department of Infrastructure, Regional Development and Cities Corporate Plan 2017–18 p.28</i>	
What will be measured to indicate success?	Result
Compliance by regulated industry participants with their transport security obligations.	<p>This measure was met. The 2017–18 National Compliance Plan (NCP) was fully implemented during 2017–18, equating to 1,558 core NCP activities. This is 630 more activities than conducted in 2016–17.</p> <p>Additionally, as a result of refocusing effort following the disrupted terrorist plot in Sydney in July 2017, 750 targeted activities were also completed.</p>
Target result	
<p>100 per cent of compliance activities set out in the National Compliance Plan completed.</p> <p>By 2017–18: have source data and establish a baseline to monitor progress and inform future targets.</p>	<p>These activities showed improvements in compliance with obligations. Activities in 2017–18 resulted in 306 findings (216 non-compliance¹⁸ and 90 observations¹⁹). This is a decrease of 375 findings compared to 2016–17 (207 non-compliances and 168 observations).</p> <p>Preliminary analysis suggests that this lower number of findings is due to the introduction of a procedural fairness process when issuing findings. Source data has been established through the compliance activities completed and serve as a baseline to monitor ongoing progress.</p>

18 A non-compliance finding describes a failure to comply with Australia's transport security legislation and indicates that further action is required.

19 An observation finding describes potential security vulnerabilities or circumstances that may lead to a contravention of Australia's transport security legislation if not addressed.

Success measure 27 Source: <i>Department of Infrastructure, Regional Development and Cities Corporate Plan 2017–18 p.28</i>	
What will be measured to indicate success?	Result
The extent to which international standards are influenced and the transport security capability of our regional partners improved.	<p>This measure was met. The Department actively participated in the ICAO Aviation Security (AVSEC) Panel's Working Groups on Guidance Material and Annex 17, which developed new international aviation security standards and guidance used to set global benchmarks.</p> <p>The Department successfully led the incorporation of mutual recognition of security arrangements, developed by Australia, into the Annex 17 material through its representation at the AVSEC panel.</p>
Target result	
Observed improvements.	<p>Twenty two capacity building activities were delivered in Indonesia, the Philippines, Thailand, Timor-Leste, and Papua New Guinea, focusing on improving operational and technical expertise, enhancing the quality of compliance and auditing skills and improving compliance with international standards.</p> <p>The following examples illustrate successful activities from the 2017–18 program:</p> <ul style="list-style-type: none"> » The Civil Aviation Authority of Thailand (CAAT) received screening certification training to enhance Thailand's aviation security and governance arrangements. The training provided by the Department, supported CAAT to undertake a gap analysis of current screener certification and accreditation processes against the national requirements. CAAT are now using this analysis to develop and implement a screener certification and accreditation process. » Screening Checkpoint Supervisor Training was delivered on three occasions in Manila. This 5-day course developed supervisory skills of security screening personnel tasked to supervise screening checkpoints at Manila airport. » The Aviation Security Foundations and Incident Management Workshop was conducted in Dili, Timor Leste, in collaboration with the Australian Federal Police. The workshop brought together key aviation security officials and industry participants who received aviation security training and participated in an incident response exercise. » The Indonesia Advanced Technology Implementation activity provided training to 100 security officers from Denpasar, Surabaya, Yogyakarta and Jakarta on best practice approaches for using body scanners and explosive trace detection equipment.

Performance Measures transferred from the Attorney-General's Department – analysis

Strategic Priority 2 – Security

Indicator SP2.1 Source: *Attorney-General's Department Corporate Plan 2017–18 p.9*

Our effectiveness in achieving objectives.

Measure	Result
Stakeholder and client satisfaction with the effectiveness of the department's contribution to national security.	<p>This measure was met. A survey of relevant stakeholders from industry and government found that 93 per cent of respondents were satisfied with the Department's contribution to national security.</p> <p>This satisfaction rating is attributed to the following work undertaken by the Department in 2017–18:</p> <ul style="list-style-type: none"> » Producing the Commonwealth Counter-Terrorism Priorities for 2018, which will guide the Counter-Terrorism Coordinator's annual evaluation of the Commonwealth's counter-terrorism activities and support the Government's public narrative on counter-terrorism. » Developing national security policy advice and providing a whole-of-government perspective, including in relation to managing Australian foreign fighters, national intelligence legislation and significant cyber security incidents. The Department also led the implementation of a number of 2017 Independent Intelligence Review recommendations relating to national security reforms. » Undertaking strategic security and risk planning and coordination for a range of major events in Australia and overseas, including the ANZAC commemorative services, the Rugby League World Cup 2017 and 2018 Gold Coast Commonwealth Games.
Target	
Satisfaction rating greater than 80 per cent.	

Indicator SP2.2 **Source: Attorney-General's Department Corporate Plan 2017–18 p.9**

Our effectiveness in achieving objectives.

Measure	Result
Reach of countering violent extremism awareness and training products.	<p>This measure was met. A survey of relevant stakeholders found that 91 per cent of participants found countering violent extremism awareness and training products useful.</p> <p>The emphasis of Countering Violent Extremism (CVE) programs and policies is on promoting and defending social cohesion by supporting communities to reject violent extremist ideologies and protecting those most vulnerable to these influences.</p>
Target	
70 per cent of training participants find it useful.	<p>Family members, friends, community and religious leaders, frontline and youth services, academia and officials at all levels of government have a role to play. Our work can only succeed if there is close and enduring collaboration across all levels of government, institutions, frontline officials, industry and with communities.</p> <p>A key focus of CVE programs is the development and delivery of training and awareness programs and packages. A significant achievement in 2017–18 was the development and roll out of the Radicalisation and Extremism Awareness Program providing front line corrections staff with skills and awareness to recognise specific behavioural changes amongst prisoners that indicate radicalisation to violence. A train-the-trainer model was used to rollout the material to around 450 corrective services staff nationwide, who will subsequently train about 5,000 officers across all jurisdictions by the end of 2018.</p>

Indicator SP2.3 Source: Attorney-General's Department Corporate Plan 2017–18 p.9

Our efficiency in meeting goals.

Measure	Result
National security policy advice, program work and legislative changes.	This measure was met. In 2017–18, an extensive program of national security policy advice, program work and legislative change was completed within the assigned budget. No compliance issues were identified during the year. All work was completed within the timeframes agreed with stakeholders, including Ministers.
Target	
Work is completed on time, within budget and in compliance with relevant guidelines.	<p>A survey of relevant stakeholders from industry and government found that 88 per cent of respondents were satisfied with advice, program work and legislative changes related to national security. This satisfaction rating is attributed to the following work undertaken. In 2017–18, the Department:</p> <ul style="list-style-type: none"> » supported timely, relevant and effective collaboration across government, including responding to Parliamentary Committees (and other independent inquiries) on the operation of key national security legislation, such as counter-terrorism legislation, the Australian Security and Intelligence Organisation's questioning and detention powers, anti-money laundering and counter-terrorism financing legislation and regulations and legislation related to sexual crimes against children and community protection. » ensured that adequate levels of physical security measures were in place at designated premises and for Australian high office holders, with protective security risk assessments conducted and appropriate risk reduction measures implemented. » provided policy advice, guidance and coordination on cyber security matters to individuals, industry and other government agencies, including assisting with the establishment of the 24/7 global watch within the Australian Cyber Security Centre to monitor and respond to international significant cyber incidents. » coordinated and contributed to timely and effective policy development across government, including supporting the Attorney-General's Department in introducing of counter-terrorism legislation in the Parliament (Counter-Terrorism Legislation Amendment Bill (No.1) 2018).

Indicator SP2.4 **Source: Attorney-General's Department Corporate Plan 2017–18 p.9**

Our professionalism, skills and commitment.

Measure	Result
Stakeholder and client satisfaction with the professionalism, skills and commitment of staff delivering national security initiatives.	<p>This measure was met. A survey of relevant stakeholders from industry and government found that 91 per cent of respondents were satisfied with the professionalism, skills and commitment of staff who are delivering national security initiatives.</p> <p>This satisfaction rating is attributed to the following work undertaken in 2017–18:</p> <ul style="list-style-type: none"> » Coordinated secretariat support and facilitated capability development related activities under the Australia-New Zealand Counter-Terrorism Committee, including the work of its sub-committees, to enhance Australia's national security arrangements involving close cooperation with the States and Territories and other Commonwealth agencies. Areas of particular focus in 2017–18 have included work to implement <i>Australia's Strategy for Protecting Crowded Places from Terrorism</i> and the implementation of recommendations from the <i>2017 Triennial Review of Australia's National Counter-Terrorism Arrangements</i> and the NSW Coroner's report into the Lindt Café siege. » Supported ministerial engagement to enhance regional counter-terrorism cooperation and provided assistance to partner countries to strengthen legal and policy frameworks to counter terrorism (through capacity building and technical legal assistance).
Target	
Satisfaction rating greater than 80 per cent.	

Indicator SP2.5 **Source: Attorney-General's Department Corporate Plan 2017–18 p.9**

Our community impact.

Measure	Result
Satisfaction with and awareness of national security strategies.	<p>This measure was met. A survey of relevant stakeholders from industry and government found that 88 per cent of respondents had an awareness of the Department's national security strategies and 93 per cent were satisfied with those products.</p> <p>This satisfaction rating is attributed to the following work undertaken in 2017–18:</p> <ul style="list-style-type: none"> » Effective operation of the Crisis Coordination Centre (CCC) and National Security Hotline to coordinate national responses to crises and disasters and provide a single point of contact for the public to report possible signs of terrorism. » The National Security Hotline maintained its valuable support for domestic national security operations by liaising with and providing valuable information from the public to federal and state and territory security agencies. » The CCC reported 758 domestic and international events, and the National Security Hotline received more than 30,000 calls with approximately 19 per cent reported to police and security agencies for further investigation.
Target	
Satisfaction rating 80 per cent.	

Strategic Priority 4 – Crime

Indicator SP4.1

Source: *Attorney-General's Department Corporate Plan 2017–18 p.13*

Our effectiveness in achieving objectives.

Measure	Result
Stakeholder and client satisfaction with the department's effectiveness in maintaining the Commonwealth justice system and community safety.	<p>This measure was not met. A survey of relevant stakeholders from industry and government found that 79 per cent of respondents were satisfied against a target rate of 80 per cent. The survey responses indicated that stakeholders were satisfied with the professionalism of staff and their capacity to achieve results. Engagement with stakeholders will continue to be a focus for 2018–19.</p> <p>A sample of activities that contributed to the satisfaction rating are:</p> <ul style="list-style-type: none"> » leading the National Firearms Amnesty (the Amnesty) from 1 July to 30 September 2017. The Amnesty was the first nationwide firearms amnesty since the introduction of new Australian firearms regulations in 1996, and aimed to reduce the number of unregistered firearms in Australia by encouraging people who possessed unregistered firearms to hand them in for registration, sale or destruction. During the Amnesty, 57,324 firearms were handed in across the country. » providing grant funding to local councils, schools and other community organisations for local initiatives that improve community safety and reduce crime. During 2017–18, funding was awarded to around 140 councils and community organisations under round two of the \$70 million Safer Communities Fund to boost efforts to address crime and anti-social behaviour. The Department also set up a third round of the Fund to open in 2018.
Target	
Satisfaction rating greater than 80 per cent.	

Indicator SP4.2 **Source: Attorney-General's Department Corporate Plan 2017–18 p.13**

Our efficiency in meeting goals.

Measure	Result
Criminal justice policy advice, program work and legislative changes.	This measure was met. A survey of relevant stakeholders from industry and government found that 80 per cent of respondents were satisfied with policy advice, program work and legislative changes relating to criminal justice. This result indicates that the advice, program work and legislative changes undertaken as below were completed on time, within budget, in compliance with relevant guidelines, and to a standard of satisfaction to our stakeholders.
Target	A sample of activities that contributed to the satisfaction rating are:
Work is completed on time, within budget and in compliance with relevant guidelines.	<ul style="list-style-type: none"> » development of programs to improve community safety. For example, in response to the Royal Commission into Institutional Responses to Child Sexual Abuse's Working with Children Checks Report, the Department led negotiations for the establishment of a database that will facilitate the sharing of working with children check decisions between jurisdictions. » the successful passing of the <i>Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2017</i> (the Amendment Act) in December 2017. The Amendment Act is the first phase of reform to address key recommendations of the 2016 statutory review of the Act. It included amendments to regulate the digital currency exchange sector, expand the Australian Transaction Reports and Analysis Centre's (AUSTRAC) enforcement powers and enhance the reporting regime for cross-border movement of value. » the amendment of the <i>Proceeds of Crime Act 2002</i> removed the potential for criminals to funnel the proceeds of their crimes through property through the passage of the Proceeds of Crime Amendment (Proceeds and Other Matters) Bill 2017.

Indicator SP4.3 **Source: Attorney-General's Department Corporate Plan 2017–18 p.13**

Our professionalism, skills and commitment.

Measure	Result
Stakeholder and client satisfaction with the professionalism, skills and commitment of staff involved in maintaining the Commonwealth criminal justice system and community safety.	This measure was met. The survey of relevant stakeholders from industry and government found that 92 per cent of respondents were satisfied with the professionalism, skills and commitment of staff within the Department who maintain the Commonwealth justice system and community safety.
Target	
Satisfaction rating greater than 80 per cent.	

Indicator SP4.4

Source: *Attorney-General's Department Corporate Plan 2017–18 p.13*

Our community impact.

Measure	Result
Australia's regional and global position on criminal justice (Factor 8) in the World Justice Project's Rule of Law Index – measuring how the rule of law is experienced by the public countries around the world.	<p>This measure was not met. Australia remained within the top 15 positions on the criminal justice factor in the World Justice Project's Rule of Law Index 2017–18 report. Australia attained the 13th position, with a score of 0.74. In the 2016 report, Australia received a similar score of 0.75 for criminal justice and was also in the top 15, with a ranking of 12th.</p> <p>Overall, Australia ranked above the average score for other high income countries against six of the seven components of the criminal justice factor.</p> <p>Of note, the World Justice Project's Rule of Law Index (Factor 8) measures a number of elements not within the functions of Home Affairs. This performance measure will not be used in 2018–19.</p>
Target	
Position of 10 or above.	

Strategic Priority 6 – Emergency Management

Emergency Management Australia partners with a wide range of stakeholders, including government agencies, State and Territory bodies, community groups, emergency services professionals, academics and individuals.

The 2018 survey of key stakeholders in industry and government showed an improvement in results for all strategic priorities when compared to the 2017 stakeholder survey. While some stakeholders noted that coordination with States and Territories for policy development could be improved, others highlighted that coordination with external agencies more broadly was working well, despite the potential for disruption during the transition of emergency management functions to the Department.

Indicator SP6.1 **Source: Attorney-General's Department Corporate Plan 2017–18 p.17**

Our effectiveness in achieving objectives

Measure	Result
Stakeholder and client satisfaction with the department's effectiveness in providing national leadership in emergency management.	<p>This measure was met. The survey of relevant government and industry stakeholders indicated that 83 per cent of respondents were satisfied with the Department's effectiveness in providing national leadership in emergency management.</p> <p>This result is a 6 per cent increase since 2017 and demonstrates our commitment to continual improvement.</p> <p>In 2017–18, the National Resilience Taskforce was established to lead nationwide reforms to reduce the impact and financial burden of disasters on the community and economy.</p>
Target result	
Satisfaction rating greater than 80 per cent.	<p>The Crisis Coordination Centre (CCC) also provided whole-of-government situational awareness on a 24/7 basis to inform decision makers of significant incidents and emergencies, both natural and man-made, that occurred domestically and internationally. The CCC issued routine and incident specific products on 758 domestic and international incidents and emergencies, and facilitated Australian Government Crisis Committee and National Crisis Committee meetings.</p>

Indicator SP6.2 **Source: Attorney-General's Department Corporate Plan 2017–18 p.17**

Our efficiency in meeting goals

Measure	Result
Emergency management policy advice, program work and legislative changes.	This measure was met. Emergency Management Australia and the National Resilience Taskforce have led policy development in key areas to further develop Australia's disaster management preparedness and recovery capability. Emergency management policy and programs have been developed and delivered within existing budget and all objectives delivered on time and within the current legislative and policy framework.
Target result	
Work is completed on time, within budget and in compliance with relevant guidelines.	The survey of relevant government and industry stakeholders indicated that 83 per cent of respondents were satisfied with the efficiency in emergency management policy advice, program work and legislative changes. This result is a 10 per cent increase since 2017 and demonstrates the Department's delivery of improved policy, legislation and program management, on time, within budget and in compliance with relevant guidelines.

Indicator SP6.3 **Source: Attorney-General's Department Corporate Plan 2017–18 p.17**

Our professionalism, skills and commitment.

Measure	Result
Stakeholder and client satisfaction with the professionalism, skills and commitment of staff involved in emergency management.	This measure was met. The survey of relevant government and industry stakeholders indicated that 93 per cent of respondents were satisfied with the professionalism, skills and commitment of staff involved in emergency management. This result is a 2 per cent increase since 2017. Key feedback included state and territory acknowledgement of the commitment to collaboration by emergency management staff, and the ongoing establishment of collegiate relationships with stakeholders.
Target result	
Satisfaction rating greater than 80 per cent.	

Indicator SP6.4 **Source: Attorney-General's Department Corporate Plan 2017–18 p.17**

Our community impact.

Measure	Result
Stakeholder satisfaction that the department assists states and territories to achieve their emergency management priorities.	This measure was met. The survey of relevant government and industry stakeholders indicated that 81 per cent of respondents were satisfied with assistance provided to states and territories to achieve their emergency management priorities. This is a new performance measure and the result demonstrates the Department's commitment to ongoing and productive state and territory engagement to improve national emergency management outcomes.
Target result	
Satisfaction rating greater than 80 per cent.	The Australian Government reformed disaster recovery funding to increase the flexibility and responsiveness of the Commonwealth-state disaster recovery cost sharing arrangements providing assistance in response to natural disasters. One particular measure these reforms introduce is to permit states and territories to immediately engage dedicated community recovery officers to alleviate personal hardship arising directly from a natural disaster by enabling faster support for individuals, families and communities receiving emergency assistance. EMA continues to work with the states and territories to implement the reforms.



Part 3

Building the Home Affairs Portfolio

Building Home Affairs

Establishment of the Home Affairs Portfolio and building the Department of Home Affairs

The establishment of the Home Affairs Portfolio and the Department of Home Affairs on 20 December 2017 forms part of the most significant reform to Australia's national intelligence and domestic security arrangements in more than 40 years. These significant machinery-of-government changes are a response to complex and evolving security threats to Australia that require an integrated approach from law enforcement and intelligence agencies.

Leading up to and since its establishment, the Department has achieved a number of successes across corporate, policy and operational functions, including:

- » enacting all machinery-of-government changes for Home Affairs, bringing together functions from six different departments
- » passage of the *Home Affairs and Integrity Agencies Legislation Amendment Act 2018* and the associated Administrative Arrangements Orders, as well as administering an additional 28 Acts.
- » establishing a number of critical new roles:
 - » Commonwealth Transnational Serious and Organised Crime Coordinator
 - » National Counter Foreign Interference Coordinator
- » moving two critical roles into the Department:
 - » Commonwealth Counter-Terrorism Coordinator
 - » National Cyber Security Adviser (who reports to the Secretary of the Department of Home Affairs on all policy matters and to the Australian Signals Directorate on all operational matters).
- » delivering the first integrated Budget for the Home Affairs Portfolio in 2018–19.

Additional functions overview

Not all the additional functions for which the Department is responsible are attended by formal performance measures. New measures will be developed and reported in the *Department of Home Affairs Corporate Plan 2018-19*. An overview of these functions is included below:

Critical Infrastructure Security

The Australian Government established the Critical Infrastructure Centre in January 2017. It brings together expertise and capability from across the government to manage the increasingly complex national security risks of sabotage, espionage and coercion. The Centre has become part of the Critical Infrastructure Security Division in the new Department.

Since January 2017, advice related to national security risks to areas of critical infrastructure - including the banking, communications, electricity, food, health, government, transport, and water sectors - has been provided to Treasury for Foreign Investment Review Board applications.

The Centre also worked closely with the telecommunications industry to ensure that it can meet its obligations under the Telecommunications and Other Legislation Amendment Act 2017, which will come into force on 18 September 2018.

April 2018 also saw the enactment of the Security of Critical Infrastructure Act 2018 and the creation of the Register of Critical Infrastructure to record owner and operator information on assets in high-risk sectors. A range of consultation sessions were held within each jurisdiction to ensure that state and territory governments, and industry understand the powers, functions and obligations established under the Act.

Cyber security

The Cyber Security Policy Division leads whole-of-nation cyber security policy and strategy, focused on promoting and protecting Australia's interests online. This includes ensuring Australia's Cyber Security Strategy continues to enable growth, prosperity and innovation for all Australians. The Division engages with stakeholders across government, industry, and academia and with international partners to develop innovative cyber security policy that improves Australia's resilience to cybercriminal activity and national cyber security threats. The Division is physically housed within the Australian Cyber Security Centre (ACSC), co-located with its operational and technical counterparts from the Australian Signals Directorate (ASD), the Australian Federal Police (AFP), the Australian Criminal Intelligence Commission (ACIC) and the Australian Security and Intelligence Organisation (ASIO). This new operating arrangement has proved invaluable in deterring, mitigating and responding to priority cyber incidents and enabling a sustained collaboration and alignment of effort improving the levels of cyber security for communities, businesses and government. The Home Affairs-ACSC relationship is a prime example of a contemporary, integrated operating model that ensures effective collaboration, addresses key challenges and develops innovative solutions to Australia's national security priorities.

Counter-Terrorism Group

The work of the Home Affairs Counter-Terrorism Group embodies the vision for the Home Affairs Portfolio outlined in the Blueprint for Home Affairs. The Centre for CounterTerrorism Coordination (CCTC), located within the Counter-Terrorism Group is structured to benefit from joint agency collaboration and the alignment of their sustained efforts.

Key achievements over the reporting period show that the CCTC worked effectively with state and territory, and international colleagues in joint efforts to protect the nation. These include:

- » Facilitation of the Special Meeting of the Counter-Terrorism Council of Australian Governments (CT COAG), held on 5 October 2017. Leaders agreed upon an extensive package of legislative and practical measures to further strengthen the nationally consistent approach to countering the evolving terrorist threat.
- » Development and implementation of Australia's Strategy for Protecting Crowded Places from Terrorism – launched by the former Prime Minister on 20 August 2017 to assist owners and operators to increase safety, protection and resilience of crowded places across Australia.
- » The Coordinator chaired the first ASEAN-Australia Counter-Terrorism Conference held on 17 March 2018. A significant outcome was the Memorandum of Understanding between ASEAN and Australia on Co-operation to Counter International Terrorism.
- » The Coordinator led Australia's delegation to the inaugural United Nations High-Level Conference of Heads of Counter-Terrorism Agencies of Member States in New York from 28–29 June 2018 and addressed the UN on the evolving threat posed by foreign terrorist fighters.
- » Development and delivery of a range of capacity-building activities for partners in Southeast Asia, designed to strengthen legal and policy frameworks, focused on supporting effective counter-terrorism laws and policies, improving the technical capacity of law and justice officials, and strengthening inter-agency coordination.

Commonwealth Transnational, Serious and Organised Crime Coordinator

On 1 May 2018, the Minister for Home Affairs announced the establishment of the Commonwealth Transnational, Serious and Organised Crime (TSOC) Coordinator position and the appointment of AFP Deputy Commissioner Karl Kent, OAM, to this role.

The Coordinator will develop, oversee and report on: the strategy and priorities for the national effort to combat TSOC, align and guide the national effort across the full spectrum of responses, including education and diversion, intelligence, operations, policy and legislation, international engagement, and measure and report on outcomes.

The Coordinator's immediate priorities include strategic oversight of the Australian Centre to Counter Child Exploitation, producing a national strategy to combat TSOC and reducing the threats posed by illicit trafficking of firearms and narcotics into Australia.

National Counter Foreign Interference Coordinator

Foreign interference undermines Australia's national sovereignty, the safety of Australians, our economic prosperity, and the integrity of our democratic system. In April 2018, the National Counter foreign Interference Coordinator was established within the Department of Home Affairs to provide a focal point for engagement across Government, as well as the private sector and diaspora communities to identify and respond to interference.

The Coordinator is responsible for:

- » coordinating national efforts to identify, assess and respond to foreign interference;
- » drawing together the key policy, operational and social cohesion levers to respond to foreign interference;
- » working with the private sector, in particular education, business, and innovation and emerging technology sectors; and
- » deepening engagement with diaspora communities, which are key to identifying and preventing foreign interference activities.

The Coordinator role does not impinge on the roles of existing agencies, the focus is to link activities into a single, cohesive effort.



Part 4

Report on Financial Performance

The Department's complete financial results for 2017–18 are available in the financial statements that form Part 5 of this annual report.

Departmental operating result

The 2017–18 financial statements report a \$324.4 million operating deficit compared with a \$276.6 million operating deficit in 2016–17. The Australian Government has not funded depreciation and amortisation expenses since 2010–11. In 2017–18 the Department incurred \$290.5 million in depreciation and amortisation expenses. Had these items been funded, the 2017–18 result would have been a \$33.9 million deficit.

The operating deficit (excluding depreciation and amortisation) of \$33.9 million is largely accounted for by two factors: non-cash expenses relating to write-down and impairment of assets; and expenses relating to the uplift in employee provisions relating to a 4% pay rise granted through the Statement of Intent from the Fair Work Commission on 8 June 2018.

Administered program performance

The Department's 2017–18 administered expenses were \$2.36 billion, compared to the prior-year figure of \$2.12 billion. The variance is mainly attributable to a one-off non-cash capital grant expense in 2017–18 relating to the gifting of infrastructure to the Papua New Guinea government following cessation of Australia's involvement in managing the Manus Island Regional Processing Centre.

Net assets

Overall, the Department's 2017–18 net asset position of \$1.32 billion (assets minus liabilities) increased by \$152.88 million in comparison with 2016–17. The Department had a strong net asset position at 30 June 2018, whereby liabilities equated to 38 per cent of the total asset base.

All outcomes – summary expense and capital expenditure 2017–18

	Budget 2017-18 ^a \$'000	Actual 2017-18 \$'000
Administered		
Expenses funded through revenue appropriations^b		
Outcome 1: Protect Australia's sovereignty, security and safety through its national security, emergency management system, law enforcement, and managing its border, including managing the stay and departure of all non-citizens.	2,025,269	1,852,818
Outcome 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa, multicultural and citizenship programs and provision of refugee and humanitarian assistance.	32,769	36,526
Outcome 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	-	-
Total Administered expenses funded through revenue appropriations	2,058,038	1,889,344
Total Administered capital expenditure	129,592	74,937
Departmental		
Expenses funded through revenue appropriations^b		
Outcome 1: Protect Australia's sovereignty, security and safety through its national security, emergency management system, law enforcement, and managing its border, including managing the stay and departure of all non-citizens.	1,678,494	1,783,657
Outcome 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa, multicultural and citizenship programs and provision of refugee and humanitarian assistance.	892,187	821,630
Outcome 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	121,786	104,219
Total Departmental expenses funded through revenue appropriations	2,692,467	2,709,506
Total Departmental capital expenditure	408,412	378,192

- Budget relates to the estimated actual result reported in the PBS 2018-19, which incorporates the financial information provided in the PSAES 2017-18. Note the PSAES 2017-18 does not provide financial estimates by program.
- Departmental appropriation combines ordinary annual services (Appropriation Act No. 1, 3 and 5) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets, resources received free of charge and capital grants for gifted assets.



Part 5

Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Minister for Home Affairs

Opinion

In my opinion, the financial statements of the Department of Home Affairs for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Department of Home Affairs as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Department of Home Affairs, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Statement of comprehensive income;
- Statement of financial position;
- Statement of changes in equity;
- Cash flow statement;
- Administered schedule of comprehensive income;
- Administered schedule of assets and liabilities;
- Administered reconciliation schedule;
- Administered cash flow statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department of Home Affairs in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How the audit addressed the matter
<p>Completeness and accuracy of customs duty</p> <p><i>Refer to Note 2.1A 'Taxation revenue' and Note 4.1A 'Taxation receivables'</i></p> <p>The Department of Home Affairs (the Department) recognises revenue for customs duty arising on imported goods. The calculation of duty payable is dependent upon information provided by importers. Due to the self-assessment nature of customs duty collections, the Department has implemented a framework for monitoring compliance with disclosure requirements that is intelligence-driven.</p> <p>I focused on this area given:</p> <ul style="list-style-type: none"> the significant value of customs duty revenue; the importance that compliance risk management plays in the completeness of that revenue; and the complexity of the information technology (IT) environment used to manage customs duty. <p>For the year ended 30 June 2018, \$15.689 billion customs duty revenue and \$378 million customs duty receivables were recognised.</p>	<p>To audit the completeness and accuracy of customs duty, I:</p> <ul style="list-style-type: none"> evaluated the Department's compliance risk management processes by benchmarking the Department's compliance framework against the Organisation for Economic Cooperation and Development's principles of what constitutes an effective taxation compliance program; assessed the Department's risk identification, risk assessment, and risk prioritisation process; and the risk treatment strategies and associated reporting relevant to evasion of customs duty and the integrity of its supply chain; assessed the accuracy of customs duty collected by evaluating the appropriateness of tariff and exchange rates being applied and by testing a sample of transactions to supporting documentation; and evaluated key IT systems and tested relevant controls, system calculations and reconciliations.
Key audit matter	How the audit addressed the matter
<p>Completeness and accuracy of visa application charges</p> <p><i>Refer to Note 2.1A 'Taxation revenue' and Note 4.1A 'Taxation receivables'</i></p> <p>The Department recognises revenue for visa applications. I focused on this area given:</p> <ul style="list-style-type: none"> the significant value of visa application charges; the decentralised approach to the collection of visa revenue which occurs in a number of locations domestically and internationally, using a number of payment mechanisms; and the complexity of the IT environment used to collect and process visa application charges. <p>For the year ended 30 June 2018, \$2.026 billion visa application charges revenue and \$7 million visa application charges receivables were recognised.</p>	<p>To audit the collection of visa application charges and receivables, I performed the following procedures:</p> <ul style="list-style-type: none"> assessed the design and effectiveness of controls over the revenue collection and reporting process, including the effectiveness of cash receipting and related reconciliation processes; evaluated the effectiveness and implementation of key IT systems and controls relevant to the accuracy of visa revenue. This includes confirming visa revenue is accurately reflected in the financial management information system. assessed the accuracy of visa pricing applied within business systems to published schedules; and tested, on a sample basis, visa applications and receipts. This testing included agreeing receipts to valid application forms and testing that the receipt processed agreed to the approved schedule of pricing from the associated regulations.

Key audit matter

Accuracy of detention and regional processing centres expenses and valuation of the associated non-financial assets

Refer to Note 2.2A 'Suppliers' and Note 4.2 'Administered – non-financial assets'

I focused on this area due to:

- the significance of expenses and complexity of contracts associated with managing the detention and regional processing centres;
- the variability of the costs associated with administering the detention and regional processing network, as the level of expenses is dependent on the rate of arrival and held detention of unauthorised maritime arrivals;
- the geographically dispersed land, buildings and equipment including assets located overseas; and
- the financial implications of the closure of regional processing centres.

For the year ended 30 June 2018, \$1.613 billion was recognised for suppliers services rendered. Detention and regional processing centres expenditure represents a significant proportion of this balance. \$1.112 billion was reported for the associated non-financial assets.

How the audit addressed the matter

To audit the accuracy of detention and regional processing centres expenses and the valuation of the associated non-financial assets, I performed the following procedures:

- assessed the design and effectiveness of key controls supporting payments made to service providers;
- tested key controls over contract expenditure and compliance with contract requirements;
- assessed the effectiveness of the Department's stocktake relating to detention and regional processing centre assets;
- performed detailed analysis of regional processing centre expenditure against contract requirements; and
- tested, on a sample basis, the valuation of detention and regional processing centre assets including: evaluating the competence and objectivity of the valuation expert used by the Department; evaluated the relevance, completeness and accuracy of the sources of data used in the valuation process; and tested the associated assessment for impairment.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Department of Home Affairs, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the Department of Home Affairs' ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



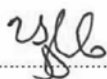
Rahul Tejani
Acting Executive Director
Delegate of the Auditor-General

Canberra
10 September 2018

Department of Home Affairs Statement by the Secretary and the Chief Financial Officer

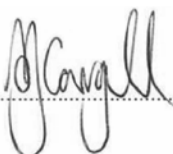
In our opinion, the attached financial statements for the year ended 30 June 2018 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Home Affairs will be able to pay its debts as and when they fall due.

Signed.....

Michael Pezzullo
Secretary

7 September 2018

Signed.....

Stephanie Cargill
Chief Financial Officer

7 September 2018

Department of Home Affairs
Statement of comprehensive income
For the period ended 30 June 2018

		2018	2017	Original Budget
	Notes	\$'000	\$'000	\$'000
Net cost of services				
Expenses				
Employee benefits	6.1A	1,440,144	1,409,374	1,336,514
Suppliers	1.1A	1,288,962	1,207,851	1,210,579
Depreciation and amortisation	3.2A	290,529	285,258	268,130
Writedown and impairment of assets	1.1B	20,158	18,978	-
Finance costs		23	479	-
Other expenses		1,584	2,429	-
Total expenses		3,041,400	2,924,369	2,815,223
Own-source income				
Own-source revenue				
Sale of goods and rendering of services	1.2A	125,422	116,425	119,153
Recovery of costs	1.2B	39,894	37,340	33,441
Electronic travel authority fees		13,299	12,155	12,155
Rental income		2,650	2,619	3,178
Software royalties		3,205	3,023	3,045
Other revenue	1.2C	21,700	11,115	10,686
Total own-source revenue		206,170	182,677	181,658
Gains	1.2D	5,374	5,123	71
Total own-source income		211,544	187,800	181,729
Net cost of services		(2,829,856)	(2,736,569)	(2,633,494)
Revenue from Government		2,505,428	2,459,934	2,365,364
Deficit attributable to the Australian Government		(324,428)	(276,635)	(268,130)
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		35,212	(2,035)	-
Total other comprehensive income		35,212	(2,035)	-
Total comprehensive income		(289,216)	(278,670)	(268,130)

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.2 for explanations of major budget variances.

Department of Home Affairs Statement of financial position

As at 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents	3.1A	3,519	4,214	3,409
Trade and other receivables	3.1B	554,400	502,950	515,913
Other financial assets		537	1,111	1,681
Total financial assets		558,456	508,275	521,003
Non-financial assets				
Land	3.2A	20,220	20,229	30,294
Buildings	3.2A	37,850	37,543	35,380
Leasehold improvements	3.2A	155,363	104,119	98,122
Vessels	3.2A	342,684	370,089	409,508
Plant and equipment	3.2A	333,279	221,011	244,552
Computer software	3.2A	555,497	514,157	517,281
Inventories held for distribution		19,783	22,140	23,907
Prepayments		99,492	52,333	43,374
Other non-financial assets		10,105	8,421	6,737
Total non-financial assets		1,574,273	1,350,042	1,409,155
Total assets		2,132,729	1,858,317	1,930,158
Liabilities				
Payables				
Suppliers	3.3A	288,869	230,327	263,178
Other payables	3.3B	29,574	26,161	11,378
Total payables		318,443	256,488	274,556
Provisions				
Employee provisions	6.1B	444,078	397,253	424,690
Other provisions	3.4A	48,289	35,534	38,210
Total provisions		492,367	432,787	462,900
Total liabilities		810,810	689,275	737,456
Net assets		1,321,919	1,169,042	1,192,702
Equity				
Contributed equity		2,852,932	2,410,844	2,696,002
Asset revaluation reserve		274,879	239,667	241,702
Accumulated deficit		(1,805,892)	(1,481,469)	(1,745,002)
Total equity		1,321,919	1,169,042	1,192,702

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.2 for explanations of major budget variances.

Department of Home Affairs
Statement of changes in equity
For the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget \$'000
<u>Contributed equity</u>				
Opening balance				
Balance carried forward from previous period		<u>2,410,844</u>	<u>2,106,465</u>	<u>2,410,844</u>
Adjusted opening balance		<u>2,410,844</u>	<u>2,106,465</u>	<u>2,410,844</u>
Transactions with owners				
Contributions by owners				
Equity injection – appropriations		264,822	183,860	170,522
Departmental capital budget		127,093	120,519	114,636
Restructuring	8.1A	50,173	-	-
Total transactions with owners		<u>442,088</u>	<u>304,379</u>	<u>285,158</u>
Closing balance as at 30 June		<u>2,852,932</u>	<u>2,410,844</u>	<u>2,696,002</u>
<u>Asset revaluation reserve</u>				
Opening balance				
Balance carried forward from previous period		<u>239,667</u>	<u>241,702</u>	<u>241,702</u>
Adjusted opening balance		<u>239,667</u>	<u>241,702</u>	<u>241,702</u>
Comprehensive income				
Other comprehensive income		35,212	(2,035)	-
Total comprehensive income		<u>35,212</u>	<u>(2,035)</u>	<u>-</u>
Closing balance as at 30 June		<u>274,879</u>	<u>239,667</u>	<u>241,702</u>
<u>Accumulated deficit</u>				
Opening balance				
Balance carried forward from previous period		(1,481,469)	(1,203,434)	(1,476,872)
Adjustments to prior year's deficit		-	(1,401)	-
Adjusted opening balance		<u>(1,481,469)</u>	<u>(1,204,835)</u>	<u>(1,476,872)</u>
Comprehensive income				
Deficit for the period		(324,428)	(276,635)	(268,130)
Total comprehensive income		<u>(324,428)</u>	<u>(276,635)</u>	<u>(268,130)</u>
Transactions with owners				
Other movements		5	1	-
Total transactions with owners		<u>5</u>	<u>1</u>	<u>-</u>
Closing balance as at 30 June		<u>(1,805,892)</u>	<u>(1,481,469)</u>	<u>(1,745,002)</u>
Total equity		<u>1,321,919</u>	<u>1,169,042</u>	<u>1,192,702</u>

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.2 for explanations of major budget variances.

Department of Home Affairs

Cash flow statement

For the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget \$'000
<u>Operating activities</u>				
Cash received				
Goods and services		70,413	113,817	120,016
Appropriations		2,780,494	2,636,608	2,340,824
Net GST ^a received		120,290	124,574	115,689
Other		42,601	40,473	45,851
Total cash received		3,013,798	2,915,472	2,622,380
Cash used				
Employees		1,415,155	1,424,048	1,326,720
Suppliers		1,406,540	1,316,321	1,280,233
Section 74 receipts transferred to the OPA ^b		219,652	155,054	-
Other		1,033	80	-
Total cash used		3,042,380	2,895,503	2,606,953
Net cash from/(used by) operating activities		(28,582)	19,969	15,427
<u>Investing activities</u>				
Cash received				
Proceeds from sale of non-financial assets		59	342	-
Total cash received		59	342	-
Cash used				
Purchase of non-financial assets		365,687	313,943	300,585
Total cash used		365,687	313,943	300,585
Net cash used by investing activities		(365,628)	(313,601)	(300,585)

Department of Home Affairs

Cash flow statement

For the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget \$'000
Financing activities				
Cash received				
Contributed equity		393,488	294,437	285,158
Restructuring	8.1A	27	-	-
Total cash received		393,515	294,437	285,158
Net cash from financing activities		393,515	294,437	285,158
Net increase/(decrease) in cash held				
		(695)	805	-
Cash and cash equivalents at the beginning of the reporting period		4,214	3,409	3,409
Cash and cash equivalents at the end of the reporting period	3.1A	3,519	4,214	3,409

- a. Goods and Services Tax (GST)
- b. Official Public Account (OPA)

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.2 for explanations of major budget variances.

Department of Home Affairs
Administered schedule of comprehensive income
For the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget \$'000
<u>Net cost of services</u>				
Income				
Revenue				
Taxation revenue				
Customs duty	2.1A	15,688,978	14,195,185	14,729,250
Other taxes	2.1A	3,592,459	3,483,130	3,780,760
Total taxation revenue		19,281,437	17,678,315	18,510,010
Non-taxation revenue				
Immigration fees	2.1B	61,985	51,600	45,160
Other revenue	2.1B	21,910	15,991	24,162
Total non-taxation revenue		83,895	67,591	69,322
Total revenue		19,365,332	17,745,906	18,579,332
Gains		2,297	5,700	-
Total income		19,367,629	17,751,606	18,579,332
Expenses				
Suppliers	2.2A	1,612,582	1,604,192	1,269,576
Personal benefits	2.2B	245,732	322,131	228,868
Gifting, grants and contributions	2.2C	274,149	17,368	15,100
Depreciation and amortisation	4.2A	158,966	133,317	119,101
Writedown and impairment of assets	2.2D	64,457	38,435	20,042
Other expenses	2.2E	2,572	1,379	-
Total expenses		2,358,458	2,116,822	1,652,687
Net contribution by services		17,009,171	15,634,784	16,926,645
Surplus		17,009,171	15,634,784	16,926,645
<u>Other comprehensive income</u>				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		30,119	(10,286)	-
Total other comprehensive income/(loss)		30,119	(10,286)	-
Total comprehensive income		17,039,290	15,624,498	16,926,645

The above schedule should be read in conjunction with the accompanying notes.
Refer to Note 8.2 for explanations of major budget variances.

Department of Home Affairs
Administered schedule of assets and liabilities
As at 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents		54,100	55,239	45,609
Taxation receivables	4.1A	528,698	522,957	359,877
Non-taxation receivables	4.1B	125,146	34,537	21,500
Total financial assets		707,944	612,733	426,986
Non-financial assets				
Land	4.2A	18,852	46,205	47,598
Buildings	4.2A	683,517	989,299	1,110,276
Leasehold improvements	4.2A	112,456	151,386	169,898
Plant and equipment	4.2A	258,858	267,369	156,463
Computer software	4.2A	436	-	-
Prepayments		150	459	1,226
Total non-financial assets		1,074,269	1,454,718	1,485,461
Assets held for sale	4.2A	37,750	9,750	25,135
Total assets administered on behalf of Government		1,819,963	2,077,201	1,937,582
Liabilities				
Payables				
Suppliers	4.3A	311,647	244,744	211,984
Personal benefits	4.3B	20,526	23,200	20,310
Grants and contributions		9,129	-	-
Unearned income		22,645	30,733	32,959
Other payables		18,327	12,004	4,741
Total payables		382,274	310,681	269,994
Provisions	4.4A	9,411	10,132	9,200
Total liabilities administered on behalf of Government		391,685	320,813	279,194
Net assets		1,428,278	1,756,388	1,658,388

The above schedule should be read in conjunction with the accompanying notes.
Refer to Note 8.2 for explanations of major budget variances.

Department of Home Affairs

Administered reconciliation schedule

For the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
Opening assets less liabilities as at 1 July		1,756,388	1,686,401
Net (cost of)/contribution by services			
Income		19,367,629	17,751,606
Expenses		(2,358,458)	(2,116,822)
Transfers (to)/from the Australian Government			
Appropriation transfers from the OPA			
Annual appropriation for administered expenses		1,901,812	1,779,316
Administered assets and liabilities appropriations		64,369	94,506
Special appropriations (unlimited)			
Payments to entities other than corporate Commonwealth entities		454,205	460,435
Appropriation transfers to the OPA			
Transfers to the OPA		(19,890,515)	(17,888,768)
Restructuring	8.1B	102,728	-
Drawings from the OPA on behalf of the ATO ^a		255,162	226,918
Payments on behalf of the ATO ^a out of special appropriations		(255,162)	(226,918)
Administered revaluations taken to reserves		30,119	(10,286)
Other movements		1	-
Closing assets less liabilities as at 30 June		1,428,278	1,756,388

a. Australian Taxation Office (ATO)

The above schedule should be read in conjunction with the accompanying notes.

Accounting policy

Administered cash transfers to and from the Official Public Account

Revenue collected by the Department for use by Government, rather than the Department, is classified as administered revenue. Collections are transferred to the OPA maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of Government and reported as such in the administered reconciliation schedule and the administered cash flow statement.

Department of Home Affairs
Administered cash flow statement
For the period ended 30 June 2018

	2018 \$'000	2017 \$'000
<u>Operating activities</u>		
Cash received		
Customs duty	16,080,018	14,441,317
Immigration fees and charges	2,129,802	2,147,400
Passenger Movement Charge	1,112,098	1,004,494
Import Processing Charges and licenses	433,289	409,324
Net GST received	75,162	70,170
Bonds received	12,266	13,276
Tourist Refund Scheme drawings	3,339	2,582
Security deposits	1,231	1,716
Other	7,476	3,002
Total cash received	19,854,681	18,093,281
Cash used		
Suppliers	1,629,019	1,636,912
Refunds of duty and other taxes	417,653	442,063
Personal benefits	251,461	323,737
Tourist Refund Scheme	231,017	207,496
Bonds paid	11,539	11,812
Refunds of GST (on imports), WET ^a and LCT ^b	24,237	22,004
Grants and contributions paid	25,201	16,834
Security deposits	1,343	1,756
Other refunds paid	85	140
Total cash used	2,591,555	2,662,754
Net cash from operating activities	17,263,126	15,430,527
<u>Investing activities</u>		
Cash received		
Proceeds from sale of non-financial assets	-	82
Repayment of loans by state and territory governments	16,360	-
Total cash received	16,360	82
Cash used		
Purchase of non-financial assets	65,205	93,431
Loans made to state and territory governments	159	-
Total cash used	65,364	93,431
Net cash used by investing activities	(49,004)	(93,349)

Department of Home Affairs

Administered cash flow statement

For the period ended 30 June 2018

	2018 \$'000	2017 \$'000
<u>Financing activities</u>		
Cash received		
Contributed equity	64,369	94,506
Total cash received	64,369	94,506
Net cash from financing activities	64,369	94,506
 Net increase in cash held	 17,278,491	 15,431,684
 Cash and cash equivalents at the beginning of the reporting period	 55,239	 45,609
 Cash from the OPA		
Appropriations	2,356,017	2,239,751
Refunds of GST (on imports), WET ^a and LCT ^b	24,145	22,049
Tourist Refund Scheme	231,017	207,496
Total cash from the OPA	2,611,179	2,469,296
 Cash to the OPA		
Administered receipts	19,887,470	17,888,768
Return of Tourist Refund Scheme drawings	3,339	2,582
Total cash to the OPA	19,890,809	17,891,350
Cash and cash equivalents at the end of the reporting period	54,100	55,239
 a. Wine Equalisation Tax (WET)		
b. Luxury Car Tax (LCT)		
The above statement should be read in conjunction with the accompanying notes.		

Department of Home Affairs

Notes to and forming part of the financial statements

Overview

Objectives of the Department

The Department of Home Affairs (the Department) is an Australian Government controlled not-for-profit entity. The Department's vision is to ensure a secure Australia that is prosperous, open and united. The Department is responsible for centrally coordinated strategy and policy leadership in relation to domestic and national security arrangements, law enforcement, counter-terrorism, social cohesion, the protection of our sovereignty and the integrity of our border, and the resilience of our national infrastructure. The Department also delivers services including strengthening the cohesiveness of Australian society through our migration program. The Department manages and assists temporary and permanent migrants and those people participating in humanitarian and refugee programs, and confers citizenship.

The Department is structured to meet three outcomes.

Outcome	Activity
Outcome 1: Protect Australia's sovereignty, security and safety through its national security, emergency management system, law enforcement, and managing its border, including managing the stay and departure of all non-citizens. ^a	<p>Program 1.1: Border Enforcement (departmental)</p> <p>Program 1.2: Border Management (departmental and administered)</p> <p>Program 1.3: Onshore Compliance and Detention (departmental and administered)</p> <p>Program 1.4: Illegal Maritime Arrivals Offshore Management (departmental and administered)</p> <p>Program 1.5: Regional Cooperation (departmental and administered)</p> <p>Program 1.6: Transport Security^b (departmental and administered)</p> <p>Program 1.7: National Security and Criminal Justice^b (departmental and administered)</p> <p>Program 1.8: Cyber Security^b (departmental)</p> <p>Program 1.9: Counter-Terrorism^b (departmental and administered)</p> <p>Program 1.10: Australian Government Disaster Financial Support Payments^b (administered)</p>
Outcome 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa, multicultural and citizenship programs and provision of refugee and humanitarian assistance. ^a	<p>Program 2.1: Multicultural Affairs and Citizenship^a (departmental and administered)</p> <p>Program 2.2: Migration (departmental)</p> <p>Program 2.3: Visas (departmental and administered)</p> <p>Program 2.4: Refugee and Humanitarian Assistance (departmental and administered)</p>

Department of Home Affairs

Notes to and forming part of the financial statements

Outcome	Activity
Outcome 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	Program 3.1: Border Revenue Collection (departmental and administered) Program 3.2: Trade Facilitation and Industry Engagement (departmental)

- Outcomes and programs that have incorporated transferred functions.
- Programs comprised entirely of transferred functions.

In establishing the new portfolio, the former Department of Immigration and Border Protection was restructured to form the Department of Home Affairs. The Department has continued to operate across the current and comparative period, albeit with a change in name and the assumption of additional responsibilities. The Department's outcomes and programs impacted by transferred functions are denoted in the table above. Refer to Note 8.1 for further information in connection with the Department's restructuring as a result of updates to administrative arrangements during 2017-18.

Details of planned activities for the year can be found in the Portfolio Budget Statements for the former Department of Immigration and Border Protection and the Department's Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements which have been tabled in Parliament. The continued existence of the Department in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the Department's administration and programs.

Basis of preparation of the financial statements

These financial statements are general purpose financial statements as required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and have been prepared in accordance with:

- The *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Reduced disclosure requirements of Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities which have been reported at fair value. Except where stated, no allowance has been made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Current and comparative information reflect only activities for which the Department has been responsible and, unless specifically stated otherwise, do not capture the financial impacts of functions at any stage before they were transferred. Comparative information is presented for the former Department of Immigration and Border Protection and has been adjusted to conform to changes in presentation in the financial statements where required. The reported budgetary figures were prepared before the announced updates to administrative arrangements.

The accounting policies described throughout the notes to the financial statements are applied consistently across all activities, whether departmental or administered. Disclosures about administered accounting policies include only items or treatments which are specific to administered activities.

Department of Home Affairs

Notes to and forming part of the financial statements

Reporting of administered activities

Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Department in its own right whereas administered activities are controlled or incurred by Government. Administered revenues, expenses, assets, liabilities and cash flows that are managed or overseen by the Department on behalf of Government (including accounting policies applicable only to administered activities) are distinguished from departmental items using shading.

Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax and GST. Receivables and payables are recognised inclusive of GST. All other revenues, expenses, assets and liabilities are recognised net of GST except where the amount of GST incurred is not recoverable from the ATO. Appropriations and special accounts are disclosed on a recoverable GST exclusive basis.

Key accounting judgements and estimates

In applying the Department's accounting policies, management has made a number of accounting judgements and applied estimates and assumptions to future events. Judgements and estimates that are material to the financial statements are found in the following notes:

- 2.1 Administered – income
- 3.1 Financial assets
- 3.2 Non-financial assets
- 6.1 Employee expenses and provisions

Events after the reporting period

Departmental

There have been no events after the reporting period which have the potential to significantly affect the ongoing structure and financial activities of the Department except as described in Note 1.1A.

Administered

There have been no events after the reporting period which have the potential to significantly affect the ongoing structure and financial activities that the Department administers on behalf of Government.

Department of Home Affairs

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Department of Home Affairs

Notes to and forming part of the financial statements

1. Departmental financial performance

1.1 Expenses

	2018 \$'000	2017 \$'000
Note 1.1A: Suppliers		
Goods and services supplied or rendered		
Contractors and consultants	274,811	240,729
Information technology and communications	231,385	233,895
General operational expenses	111,004	107,026
Staff related expenses	75,743	62,890
Insurance, legal and litigation	64,026	57,123
Travel	60,728	59,653
Property operating	59,454	56,506
Vessel expenses	56,111	33,610
Coastal surveillance	30,663	29,922
Client operations	33,989	30,057
Bank and merchant fees	20,753	16,536
Total goods and services supplied or rendered	1,018,667	927,947
Other suppliers		
Operating lease rentals	242,660	241,125
Workers compensation expenses	27,635	38,779
Total other suppliers	270,295	279,904
Total suppliers	1,288,962	1,207,851
Future minimum operating lease payments		
Commitments for minimum lease payments under non-cancellable operating leases are payable as follows:		
Within 1 year	304,840	289,716
Between 1 and 5 years	735,770	725,304
More than 5 years	596,255	212,664
Total future minimum operating lease payments	1,636,865	1,227,684

The Department in its capacity as lessee has three types of leasing arrangements.

- Property leases including leases for onshore and offshore office and staff accommodation. Certain property leases contain renewal terms that allow the Department to extend the existing lease period for a range of durations. Future payments for property leases include \$332.591 million (2016-17: nil) in connection with the Australian Border Force headquarters. The Department committed to the principal provisions of the headquarters lease prior to 30 June 2018 and the agreement was finalised on 27 August 2018.
- Agreements in relation to support costs for desktop infrastructure, midrange infrastructure and software.
- Other leases including leases for coastal and maritime surveillance related activities. Certain other leases contain terms for rent payable that is contingent on usage that exceeds specified minimum levels.

Department of Home Affairs

Notes to and forming part of the financial statements

Accounting policy

Minimum lease payments and lease incentives

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets. Lease incentives, in the form of leasehold improvements or rent free periods, are initially recognised as liabilities and subsequent lease payments are allocated between a reduction of the liability and the expense over the lease term.

	2018 \$'000	2017 \$'000
<u>Note 1.1B: Writedown and impairment of assets</u>		
Financial instruments	14,864	13,393
Leasehold improvements	11	4
Vessels	163	83
Plant and equipment	1,772	573
Computer software	3,348	4,795
Inventories held for distribution	-	130
Total writedown and impairment of assets	20,158	18,978

Department of Home Affairs

Notes to and forming part of the financial statements

1.2 Own-source revenue and gains

	2018	2017
	\$'000	\$'000
<u>Note 1.2A: Sale of goods and rendering of services</u>		
Sale of goods	663	521
Rendering of services	124,759	115,904
Total sale of goods and rendering of services	125,422	116,425
<u>Note 1.2B: Recovery of costs</u>		
Legal	17,204	14,250
Merchant fees	16,918	16,090
Comcover insurance recoveries	103	3,133
Other	5,669	3,867
Total recovery of costs	39,894	37,340
<u>Note 1.2C: Other revenue</u>		
Resources received free of charge		
Property related	7,598	7,088
Remuneration of auditors	1,175	1,175
Other resources received free of charge ^a	12,434	207
Transfers from Department of Foreign Affairs and Trade	-	2,000
Other revenue	493	645
Total other revenue	21,700	11,115

- a. Other resources received free of charge includes services totalling \$11.928 million provided by losing entities in connection with activities transferred to the Department as a result of restructuring. Refer to Note 8.1 for further information in connection with restructuring.

Department of Home Affairs

Notes to and forming part of the financial statements

	2018 \$'000	2017 \$'000
Note 1.2D: Gains		
Gain on sale of non-financial assets	57	342
Foreign exchange gains	39	90
Reversal of impairment for financial instruments	1,724	2,137
Reduction in provision for restoration obligations	554	1,801
Resources received free of charge	1,908	-
Other	1,092	753
Total gains	5,374	5,123

Accounting policy

Revenue and gains are recognised to the extent that it is probable that the economic benefit will flow to the Department and the income can be measured reliably, regardless of whether payment is received. Revenue and gains are measured at the fair value of consideration received or receivable.

Revenue from the sale of goods and gains from the disposal of assets

Income is recognised when the risks and rewards of ownership have been transferred to the buyer (usually on delivery) when the Department retains no managerial involvement or effective control over the asset.

Revenue from rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. Stage of completion is measured by reference to the extent that services are performed to date as a proportion of total services to be performed.

Resources received free of charge

Resources received free of charge are recognised as revenue when the fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

Department of Home Affairs

Notes to and forming part of the financial statements

2. Income and expenses administered on behalf of Government

2.1 Administered – income

	2018	2017
	\$'000	\$'000
<u>Note 2.1A: Taxation revenue</u>		
Customs duty	15,688,978	14,195,185
Other taxes		
Visa Application Charges	2,026,328	2,045,503
Passenger Movement Charge	1,134,314	1,028,442
Import Processing Charges	417,207	394,891
Licenses	14,610	14,294
Total other taxes	3,592,459	3,483,130
Total taxation revenue	19,281,437	17,678,315
<u>Note 2.1B: Non-taxation revenue</u>		
Immigration fees – citizenship	61,985	51,600
Other revenue		
Recovery of detention costs	11,465	6,007
Immigration fines	2,417	792
Other penalties, fines and prosecutions	2,449	3,200
Other	5,579	5,992
Total other revenue	21,910	15,991
Total non-taxation revenue	83,895	67,591

Accounting policy

Administered revenues relate to ordinary activities performed by the Department on behalf of Government. Administered taxation and non-taxation revenues are recognised when Government gains control of, and can reliably measure or estimate, the future economic benefit that will flow to Government from the revenue items administered by the Department. Revenues are measured at the fair value of consideration received or receivable. In line with the relevant applicable legislative provisions, the revenue recognition policy adopted for the major classes of administered revenues is described as follows.

Department of Home Affairs

Notes to and forming part of the financial statements

Customs duty

Customs duty comprises Commonwealth charges levied on imported goods as a condition of their importation. These charges are determined by the classification of goods within the *Customs Tariff Act 1995*. Customs duty rates vary and depend on a number of factors, such as the type of goods and country of origin. Customs duty is reported by the Department in the financial statements as a net value. Net duty collections reflect gross duty less refunds paid on duty and drawbacks. Customs duty is levied on the following items:

- Excise equivalent goods which includes petroleum products, tobacco products and alcohol;
- Passenger Motor Vehicles;
- Textiles, clothing and footwear; and
- Other (including machinery, base metals, plastics and rubber, furniture, live animals, foodstuffs, chemical products, pulp and paper).

Visa Application Charges

Fees are charged for visa applications and migration applications under the *Migration Act 1958* (Migration Act) and in accordance with the *Migration (Visa Application) Charge Act 1997*. As these fee amounts are only refundable in specific, prescribed circumstances, administered revenues are recognised when collected by the Department. In some instances, payments are made in Australia in advance of visa applications being lodged overseas. These payments are not recognised as revenue until matched with a lodged application.

Passenger Movement Charge (PMC)

PMC is levied under the *Passenger Movement Charge Act 1978*. It is recognised when passengers depart Australia and collected by carriers under formal arrangements with Government. PMC is recognised within the reporting period when a passenger departs Australia, subject to certain legislative exemptions.

Import Processing Charges (IPC)

IPC also includes Depot Charges and the Depot Licence Charge. These charges are set by the *Import Processing Charges Act 2001*. The IPC recovers the costs associated with the Department's trade and goods activities. IPC is levied on Full Import Declarations relating to goods greater than \$1,000 in value. The IPC also includes charges relating to the issue of licences (primarily Depot Licences) which entitle brokers and importers to store goods prior to being exported overseas or brought into home consumption and the relevant duty applied. The Depot Licence Charges are recognised in the reporting period to which the licences relate.

Immigration fines, other penalties, fines and prosecutions

Other border related collections are fines which are charged for non-compliance with the Migration Act. Administered fines are recognised in the period in which the breach occurs.

Key accounting judgements and estimates

Customs duty

An estimate for Customs duty is recognised for those goods that have entered into home consumption during the reporting period, but for which duty has not yet been paid. Under legislative arrangements, goods can be moved into home consumption with certain importers having seven days from the date of release to make the requisite payment. The value of revenue recognised for this seven day period is estimated based on historical information and receipts subsequent to the reporting date.

Department of Home Affairs

Notes to and forming part of the financial statements

2.2 Administered – expenses

	2018 \$'000	2017 \$'000
Note 2.2A: Suppliers		
Services rendered		
Detention	1,013,751	949,982
Client support services	236,674	254,616
Health services	109,294	121,864
Property	103,258	103,250
Travel and transport	90,886	113,723
Contractors and consultants	11,509	9,245
Other	47,172	45,025
Total services rendered	1,612,544	1,597,705
Operating lease rentals	38	6,487
Total suppliers	1,612,582	1,604,192
Future minimum operating lease payments		
Commitments for minimum lease payments under non-cancellable operating leases are payable as follows:		
Within 1 year	87	84
Between 1 and 5 years	234	321
Total future minimum operating lease payments	321	405
Note 2.2B: Personal benefits		
Status resolution, refugee and humanitarian services		
Direct	136,141	217,717
Indirect	98,235	94,973
State payments – refugee minors	10,982	9,441
Total status resolution, refugee and humanitarian services	245,358	322,131
Other services – direct	374	-
Total personal benefits	245,732	322,131

Accounting policy

Direct personal benefits comprise current transfers provided directly to individuals or households. Indirect personal benefits comprise benefits provided to households as social transfers and delivered by a third party (for example, medical and pharmaceutical benefits). Personal benefits are recognised when payments are made, or the Department has a present obligation either to a service provider or directly to recipients. Personal benefits do not require any economic benefit to flow back to Government.

Department of Home Affairs

Notes to and forming part of the financial statements

	2018	2017
	\$'000	\$'000
<u>Note 2.2C: Gifting, grants and contributions</u>		
Gifting of public property ^a	255,554	600
Current grants and contributions		
State and territory governments	1,520	-
Non-profit organisations	10,542	-
Overseas organisations	6,533	16,768
Total current grants and contributions	18,595	16,768
Total gifting, grants and contributions	274,149	17,368

- a. Gifting of public property includes the carrying amount of items of property, plant, and equipment totalling \$245.691 million (2016-17: nil) that were gifted to the Government of Papua New Guinea.

Accounting policy

Gifting, grants and contributions comprise non-reciprocal transfers where direct benefit of approximate equal value is not transferred to Government in return.

Gifting of public property

Gifting public property comprise transfers of assets that are surplus to Government requirements and expressly authorised by law. Public property is gifted in circumstances where the assets are of low value and otherwise uneconomical of which to dispose. Gifting may also occur in circumstances that support the achievement of Government policy objectives or where there is special significance to the proposed recipient and compelling reasons justifying gifting to that recipient. An expense equal to the carrying amount of the gifted assets is recognised when control of the underlying property is transferred.

Current grants and contributions

Current grants and contributions comprise direct non-reciprocal transfers to eligible recipients. Grants and contributions are recognised when payment is made or when a liability is recognised to the extent that the recipient has met grant eligibility criteria or provided the services that make it eligible to receive payment, but payment has not yet been made.

Department of Home Affairs

Notes to and forming part of the financial statements

	2018	2017
	\$'000	\$'000
<u>Note 2.2D: Writedown and impairment of assets</u>		
Financial instruments		
Taxation receivables	1,259	20,220
Non-taxation receivables	7,336	2,388
Non-financial assets ^a		
Land and buildings	12,961	10,915
Leasehold improvements	35,048	4,581
Plant and equipment	7,853	331
Total writedown and impairment of assets	64,457	38,435

- a. Writedown and impairment of non-financial assets includes an impairment loss of \$45.288 million (2016-17: nil) in connection with items that were subsequently gifted to the Government of Papua New Guinea. Refer to Note 2.2C for further information in connection with gifting of public property.

Note 2.2E: Other expenses

Foreign exchange losses – non-speculative	1,502	1,353
Act of grace payments	44	22
Debt waivers	1,015	-
Other	11	4
Total other expenses	2,572	1,379

Department of Home Affairs

Notes to and forming part of the financial statements

3. Departmental financial position

3.1 Financial assets

	2018	2017
	\$'000	\$'000
<u>Note 3.1A: Cash and cash equivalents</u>		
Cash at bank	3,409	4,163
Cash on hand or on deposit	110	51
Total cash and cash equivalents	3,519	4,214
<u>Note 3.1B: Trade and other receivables</u>		
Goods and services receivable (gross)	108,811	45,745
Appropriations receivable		
Existing programs	417,938	381,800
Accrued for additional outputs	7,407	71,930
Total appropriations receivable	425,345	453,730
Other receivables		
Statutory receivables	39,963	20,704
Other	8,440	5,870
Total other receivables (gross)	48,403	26,574
Less impairment allowance	(28,159)	(23,099)
Total trade and other receivables (net)	554,400	502,950

Department of Home Affairs

Notes to and forming part of the financial statements

Reconciliation of the impairment allowance

	Goods and services 2018 \$'000	Goods and services 2017 \$'000
As at 1 July	(23,099)	(19,533)
Amounts written-off	9,771	4,781
Amounts waived	-	16
Amounts recovered and reversed	(1,691)	(684)
Net increase recognised in net surplus/deficit	(13,140)	(7,679)
Total as at 30 June	(28,159)	(23,099)

All other receivables were assessed for impairment as at 30 June 2018. No amounts were considered unlikely to be recoverable (2016-17: nil).

Accounting policy

Financial assets are measured at amortised cost using the effective interest method less any amounts for impairment allowances. Receivables arising from the sale of goods and rendering of services have 30 day trading terms and are recognised at the nominal amounts due less any impairment allowance for bad and doubtful debts. Collectability of debts is reviewed at the end of the reporting period. Impairment allowances are made when collectability of the debt becomes less probable.

Key accounting judgements and estimates

Impairment of financial assets

Goods and services receivables and statutory receivables are assessed for impairment at the end of the reporting period. The likelihood of recovery for all external receivables is assessed regularly and, where recovery becomes unlikely, an impairment allowance is raised. The impairment expense is recognised in the statement of comprehensive income.

Department of Home Affairs

Notes to and forming part of the financial statements

3.2 Non-financial assets

Note 3.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Vessels \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2017							
Gross book value	20,229	37,918	189,608	397,825	372,257	1,119,342	2,137,179
Accumulated depreciation, amortisation and impairment	-	(375)	(85,489)	(27,736)	(151,246)	(605,185)	(870,031)
Total as at 1 July 2017	20,229	37,543	104,119	370,089	221,011	514,157	1,267,148
Additions							
Purchased	-	48	23,360	1,415	157,879	12,449	195,151
Internally developed	-	-	-	-	-	183,041	183,041
Restructuring	-	-	15,587	-	11,512	20,471	47,570
Revaluations and impairments recognised in other comprehensive income	(9)	2,642	38,883	(4,767)	11,059	-	47,808
Reclassifications	-	219	7,450	6,092	12,724	(26,485)	-
Depreciation and amortisation	-	(2,600)	(34,027)	(29,982)	(79,133)	(144,787)	(290,529)
Disposals	-	-	-	-	(2)	-	(2)
Writedowns	-	-	(11)	(163)	(1,772)	(3,348)	(5,294)
Other movements	-	(2)	2	-	1	(1)	-
Total as at 30 June 2018	20,220	37,850	155,363	342,684	333,279	555,497	1,444,893
Total as at 30 June 2018 represented by							
Gross book value – fair value (recurring)							
Assets in use	20,220	38,434	153,743	348,238	229,794	-	790,429
Assets under construction	-	-	19,295	-	156,535	-	175,830
Gross book value – at cost							
Internally developed – assets under construction	-	-	-	-	-	184,986	184,986
Internally developed – assets in use	-	-	-	-	-	1,041,742	1,041,742
Purchased	-	-	-	-	-	78,740	78,740
Accumulated depreciation, amortisation and impairment ^a	-	(584)	(17,675)	(5,554)	(53,050)	(749,971)	(826,834)
Total as at 30 June 2018	20,220	37,850	155,363	342,684	333,279	555,497	1,444,893

a. The accumulated depreciation, amortisation and impairment balance includes the impact of the revaluation process.

Department of Home Affairs

Notes to and forming part of the financial statements

No material property, plant and equipment or intangibles are expected to be sold or disposed of within the next 12 months. No indicators of impairment were found for property, plant and equipment or intangibles as at 30 June 2018.

Revaluation of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated below. The Department engaged the services of Jones Lang LaSalle, IP, Inc. to conduct the revaluations as at 30 June 2018.

Contractual commitments for the acquisition of property, plant and equipment and intangible assets

As at 30 June 2018, contractual commitments for the acquisition of property, plant and equipment and intangible assets amounted to \$55.167 million (2016-17: \$22.103 million).

Accounting policy

Non-financial assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to restructuring.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Where an obligation exists under a lease arrangement to restore a property to its original condition, an initial estimate of these costs is included in the value of the Department's leasehold improvements and a corresponding provision for the restoration obligations is recognised.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The Department's intangible assets primarily comprise purchased and internally developed computer software for internal use. The recognition thresholds for internally developed software (IDS) are \$250,000 for new IDS assets, \$100,000 for enhancements to existing IDS assets, and \$100,000 for purchased software. Purchases below these thresholds are expensed in the year of acquisition.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The Department has adopted a strategic three year revaluation cycle based on an assessment as to the volatility of movements in market conditions and other inputs affecting the relevant assets.

Department of Home Affairs

Notes to and forming part of the financial statements

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised. Revaluation decrements for a class of assets are recognised directly in the deficit attributable to the Australian Government except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is then restated to the revalued amount.

Depreciation and amortisation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives using the straight-line method of depreciation. All new assets are generally assigned useful lives as identified below. In some limited cases, specific management advice may result in a useful life for a particular asset being assigned outside these ranges.

- Buildings on freehold land – up to 40 years
- Leasehold improvements – lesser of the useful life of the asset or the lease term
- Vessels – 3 to 20 years
- Plant and equipment – 3 to 10 years

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Computer software is amortised on a straight-line basis over its anticipated useful life. The useful life of the Department's software is 3 to 7 years. Useful lives of intangible assets are determined by the business unit responsible for the asset upon capitalisation based on its expected usage.

The policies applied for the selection of non-financial asset useful lives are consistent with prior reporting periods. The remaining useful lives and residual values for non-financial assets are reviewed at each reporting date and necessary adjustments are recognised in the current and future reporting periods.

Componentisation of non-financial assets

Major assets, such as vessels and internally developed software, are componentised if it is likely that the components will have useful lives that differ significantly from the other parts of the asset. The useful lives of components are determined with reference to the individual component or the primary asset, whichever is shorter.

Impairment

All non-financial assets are assessed for impairment at the end of the reporting period where indicators of impairment exist. An impairment adjustment is made if the asset's estimated recoverable amount is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Department of Home Affairs

Notes to and forming part of the financial statements

Assets under construction

Assets under construction (AUC) are initially recorded at acquisition cost. They include expenditure to date on various capital projects carried as AUC. AUC projects are reviewed annually for indicators of impairment and all AUC older than 12 months at reporting date is externally revalued to fair value. Prior to rollout into service, the accumulated AUC balance is reviewed to ensure accurate capitalisation of built and purchased assets.

De-recognition

Non-financial assets are derecognised upon disposal or when no further future economic benefit is expected from its use or disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as a gain or loss in the period of de-recognition.

Key accounting judgements and estimates

Fair value measurement

The Department engages the services of an independent appraiser to conduct asset materiality reviews of all non-financial assets held at fair value as at reporting date and relies upon those outcomes to establish carrying amounts. An annual assessment is undertaken to determine whether the carrying amount of assets differs materially from the fair value. Comprehensive valuations are undertaken at least once every three years. The fair value of property, plant and equipment is determined using either the Market Approach or the Cost Approach.

Market Approach

The Market Approach seeks to estimate the current value of an asset in its highest and best use with reference to recent market evidence including transactions of comparable assets. Certain items of land, buildings, leasehold improvements, vessels, plant and equipment are valued using the Market Approach. Inputs utilised under the Market Approach comprise market transactions of comparable assets adjusted to reflect differences in price sensitive characteristics including:

- Recent market sales of comparable land and buildings adjusted for size and location;
- Sales of comparable commercial offshore supply vessels; and
- Current prices for comparable or substitute items of leasehold improvements, plant and equipment available within local second-hand markets or adjusted for location.

Cost Approach

The Cost Approach seeks to estimate the amount required to replace the service capacity of an asset in its highest and best use. In cases where sufficient observable market evidence is unavailable, the Cost Approach is applied and determined as either the Replacement Cost of New Assets (RCN) or the Depreciated Replacement Cost (DRC).

AUC is valued as RCN determined as the amount a market participant would pay to acquire or construct a new substitute asset of comparable utility and relevant to the asset's location. Inputs including current local market prices for asset components such as materials and labour costs are utilised in determining RCN.

Certain items of land, buildings, leasehold improvements, vessels, plant and equipment are valued using DRC. Under DRC the replacement costs of new assets are adjusted for physical depreciation and obsolescence such as physical deterioration, functional or technical obsolescence and conditions of the economic environment specific to the asset. This is determined based on the estimated physical, economic and external obsolescence factors relevant to the asset under consideration. For all leasehold improvements, the consumed economic benefit/asset obsolescence deduction is determined based on the term of the associated lease. Physical depreciation and obsolescence for buildings, vessels, plant and equipment is determined based on the asset's estimated useful life.

Department of Home Affairs

Notes to and forming part of the financial statements

3.3 Payables

	2018	2017
	\$'000	\$'000
<u>Note 3.3A: Suppliers</u>		
Trade creditors and accruals	270,947	214,804
Operating lease rentals	17,922	15,523
Total suppliers	288,869	230,327
<u>Note 3.3B: Other payables</u>		
Wages and salaries	9,396	7,937
Superannuation	1,559	1,374
Unearned income	7,518	3,723
Separations and redundancies	7,871	8,330
Lease incentives	3,174	4,473
Other	56	324
Total other payables	29,574	26,161

Accounting policy

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received irrespective of whether an invoice has been received.

Department of Home Affairs

Notes to and forming part of the financial statements

3.4 Provisions

Note 3.4A: Other provisions

	Restoration obligations ^a	Onerous contracts ^b	Total
	\$'000	\$'000	\$'000
As at 1 July 2017	35,412	122	35,534
Restructuring	290	-	290
Additional provisions made	11,189	470	11,659
Amounts reversed	(314)	-	(314)
Amounts used	(369)	-	(369)
Revaluation	1,124	-	1,124
Unwinding of discount or change in discount rate	365	-	365
Total as at 30 June 2018	47,697	592	48,289

- The Department has 293 (2016-17: 109) agreements for leased premises both in Australia and overseas with obligations that require the premises to be restored to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of these obligations.
- The Department has 4 (2016-17: 1) agreements for leased premises which are surplus to its requirements. The Department has made a provision to reflect the present value of unavoidable future costs that exceed any expected economic benefit.

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Accounting policy

Provisions are recognised when the Department has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the unwinding of the discount or change in the discount rates is recognised in the statement of comprehensive income.

Provision for restoration obligations

Provisions for restoration obligations are recognised where the Department is required to restore premises upon termination of a lease. The original estimates for future costs associated with restoration obligations are determined by independent valuation and discounted to their present value. The original provisions are adjusted for changes in expected future costs and the discount rate.

Provision for onerous contracts

Provisions for onerous contracts are recognised where the Department expects the unavoidable costs of meeting the obligations under the contract to exceed the economic benefit expected to be received under it. The provision is measured as the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Future costs are discounted to their present value and the original provision is adjusted for changes in expected future costs and the discount rate.

Department of Home Affairs

Notes to and forming part of the financial statements

4. Assets and liabilities administered on behalf of Government

4.1 Administered – financial assets

	2018	2017
	\$'000	\$'000
<u>Note 4.1A: Taxation receivables</u>		
Customs duty	377,790	386,150
Visa Application Charges	7,355	26,810
Passenger Movement Charge	160,607	133,439
Import Processing Charges and licences	1,731	1,497
Total taxation receivables (gross)	547,483	547,896
Less impairment allowance	(18,785)	(24,939)
Total taxation receivables (net)	528,698	522,957
<u>Note 4.1B: Non-taxation receivables</u>		
Personal benefits	23,779	23,359
Penalties, fines and prosecutions	5,184	5,560
Statutory receivables	22,615	14,734
Loans receivable – state and territory governments ^a	88,867	-
Other	9,213	15,078
Total non-taxation receivables (gross)	149,658	58,731
Less impairment allowance	(24,512)	(24,194)
Total non-taxation receivables (net)	125,146	34,537

- a. Responsibility for natural disaster and recovery arrangements were transferred to the Department from the Attorney-General's Department as a result of restructuring in 2017-18. Loans receivable comprise loans with concessional rates of interest provided to state and territory governments in connection with these arrangements. Refer to Note 8.1 for further information in connection with restructuring.

Department of Home Affairs

Notes to and forming part of the financial statements

Reconciliation of the impairment allowance

	Taxation receivables	Non-taxation receivables	Taxation receivables	Non-taxation receivables
	2018	2018	2017	2017
	\$'000	\$'000	\$'000	\$'000
As at 1 July	(24,939)	(24,194)	(11,012)	(55,162)
Restructuring	-	(1,267)	-	-
Amounts written-off	7,413	8,285	6,293	33,356
Net increase recognised in net contribution by services	(1,259)	(7,336)	(20,220)	(2,388)
Total as at 30 June	(18,785)	(24,512)	(24,939)	(24,194)

Accounting policy

Taxation receivables

Taxation revenue related receivables are statutory in nature with amounts determined under legislation or by court order. Administered taxation receivables are held at statutory value less any allowance for impairment.

Non-taxation receivables

Non-taxation receivables that are statutory in nature are held at statutory value less any allowance for impairment.

Other non-taxation receivables with fixed or determinable payments and receipts are initially recognised at cost unless the transaction price differs from fair value. A difference between cost and fair value is identified for loans and advances provided with conditions that are more favourable than would otherwise be available to the borrower. Fair value is assessed as the discounted present value of future payments and receipts using the prevailing market rate. Any difference between cost and fair value is initially recognised as a loss in the statement of comprehensive income.

Non-taxation receivables are subsequently measured at amortised cost using the effective interest method less any allowance for impairment.

Department of Home Affairs Notes to and forming part of the financial statements

4.2 Administered – non-financial assets

Note 4.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2017						
Gross book value	55,955	1,156,914	194,555	308,036	-	1,715,460
Accumulated depreciation, amortisation and impairment	-	(167,615)	(43,169)	(40,667)	-	(251,451)
Total as at 1 July 2017	55,955	989,299	151,386	267,369	-	1,464,009
Additions						
Purchased	-	64,664	312	9,744	217	74,937
Restructuring	-	-	-	1,880	318	2,198
Existing assets first recognised	-	-	-	1,128	-	1,128
Revaluations and impairments recognised in other comprehensive income	4,072	25,042	2,980	(1,975)	-	30,119
Reclassifications	-	(39,073)	20,172	18,901	-	-
Depreciation and amortisation	-	(101,187)	(27,347)	(30,334)	(98)	(158,966)
Writedowns	(3,425)	(9,536)	(35,048)	(7,853)	-	(55,862)
Gifting of public property	-	(245,691)	-	-	-	(245,691)
Other movements	-	(1)	1	(2)	(1)	(3)
Total as at 30 June 2018	56,602	683,517	112,456	258,858	436	1,111,869
Total as at 30 June 2018 represented by						
Gross book value – fair value (recurring)						
Assets in use	18,852	622,985	113,876	263,438	-	1,019,151
Assets held for sale	37,750	-	-	-	-	37,750
Assets under construction	-	65,396	-	1,114	-	66,510
Gross book value – at cost						
Internally developed – assets in use	-	-	-	-	69	69
Purchased	-	-	-	-	465	465
Accumulated depreciation, amortisation and impairment ^a	-	(4,864)	(1,420)	(5,694)	(98)	(12,076)
Total as at 30 June 2018	56,602	683,517	112,456	258,858	436	1,111,869

a. The accumulated depreciation, amortisation and impairment balance includes the impact of the revaluation process.

Department of Home Affairs
Notes to and forming part of the financial statements

No indicators of impairment were found for property, plant and equipment or intangible assets as at 30 June 2018.

Contractual commitments for the acquisition of administered property, plant and equipment and intangible assets

As at 30 June 2018, contractual commitments for the acquisition of administered property, plant and equipment and intangible assets amounted to \$25.154 million (2016-17: \$22.525 million).

Department of Home Affairs

Notes to and forming part of the financial statements

4.3 Administered – payables

	2018 \$'000	2017 \$'000
Note 4.3A: Suppliers		
Trade creditors and accruals	311,647	244,744
Total suppliers	311,647	244,744
Note 4.3B: Personal benefits		
Direct	3,285	4,455
Indirect	14,477	16,770
State payments – refugee minors	2,764	1,975
Total personal benefits	20,526	23,200

4.4 Administered – provisions

Note 4.4A: Provisions

	Bonds \$'000	Security deposits \$'000	Total \$'000
As at 1 July 2017	8,648	1,484	10,132
Additional provisions made	12,845	5,021	17,866
Amounts refunded	(11,953)	(5,133)	(17,086)
Amounts forfeited	(1,501)	-	(1,501)
Total as at 30 June 2018	8,039	1,372	9,411

Accounting policy

Provision for bonds and security deposits

The Department collects and repays bonds on behalf of Government for the purposes of compliance with the *Migration Act 1958* and associated regulations. The Department collects three types of bonds, namely compliance bonds, visitor visa bonds and professional development visa securities.

The Department also collects and repays security deposits on behalf of Government for the purposes of compliance with the *Customs Act 1901*. Securities are held in relation to:

- Dumping and countervailing;
- Intellectual property rights for both copyright and trademarks;
- Temporary imports (including inter-governmental);
- Warehouse and general; and
- Other by-law (including those with an end-use provision).

Receipts from these bonds and security deposits are treated as liabilities and provided for until such time as they are either forfeited or refunded to customers. Revenue is only recognised at the point of forfeiture.

Department of Home Affairs

Notes to and forming part of the financial statements

5. Funding

5.1 Appropriations

	2018 \$'000	2017 \$'000
Note 5.1A: Annual and unspent appropriations		
Departmental		
Ordinary services		
Annual appropriation ^a		
Appropriation Act		
Ordinary annual services	2,522,263	2,412,468
Departmental capital budget ^b	114,636	120,519
PGPA Act Section 74 receipts	99,373	155,054
PGPA Act Section 75 receipts		
Ordinary annual services	76,288	-
Departmental capital budget ^b	12,457	-
Total annual appropriation	2,825,017	2,688,041
Appropriation applied (current and prior years)		
Ordinary annual services applied	(2,662,510)	(2,670,592)
Capital budget applied	(130,780)	(116,832)
Variance^c	31,727	(99,383)
Opening unspent appropriation balance	278,942	378,325
Appropriation repealed or lapsed ^d	(15,192)	-
Closing unspent appropriation balance	295,477	278,942
Balance comprises appropriations as follows:		
Appropriation Act (No. 1) 2012-2013 ^{f,d}	-	522
Appropriation (Implementation of the Report of the Expert Panel Report on Asylum Seekers) Act (No. 2) 2012-2013 ^{g,d}	-	600
Appropriation Act (No. 1) 2013-2014 ^{h,d}	-	257
Appropriation Act (No. 1) 2014-2015 ^{i,d}	-	10,538
Appropriation Act (No. 3) 2014-2015 ^{j,d}	-	3,275
Appropriation Act (No. 1) 2015-2016 ^{k,e}	1,589	1,589
Appropriation Act (No. 3) 2015-2016 ^{m,e}	36,765	36,765
Appropriation Act (No. 1) 2016-2017 - cash at bank	-	4,214
Appropriation Act (No. 1) 2016-2017 ^o	2,700	164,965
Appropriation Act (No. 3) 2016-2017	-	56,217
Appropriation Act (No. 1) 2017-2018 - cash at bank	3,519	-
Appropriation Act (No. 1) 2017-2018 ^q	154,714	-
Appropriation Act (No. 3) 2017-2018	64,240	-
Appropriation Act (No. 5) 2017-2018	31,950	-
Total unspent annual appropriations	295,477	278,942

Department of Home Affairs

Notes to and forming part of the financial statements

	2018 \$'000	2017 \$'000
Other services		
Annual appropriation ^a		
Appropriation Act – equity injections	265,628	197,179
PGPA Act Section 75 receipts – equity injections	1,124	-
Total annual appropriation	266,752	197,179
Appropriation applied (current and prior years)	(262,710)	(144,214)
Variance^c	4,042	52,965
Opening unspent appropriation balance	197,836	144,871
Appropriation repealed or lapsed ^d	(15,681)	-
Closing unspent appropriation balance	186,197	197,836
Balance comprises appropriations as follows:		
<i>Appropriation Act (No. 2) 2013-2014^{r,d}</i>	-	3,315
<i>Appropriation Act (No. 4) 2013-2014^{s,d}</i>	-	550
<i>Appropriation Act (No. 2) 2014-2015^{t,d}</i>	-	5,662
<i>Appropriation Act (No. 4) 2014-2015^{u,d}</i>	-	6,154
<i>Appropriation Act (No. 2) 2015-2016^{v,e}</i>	14,639	14,639
<i>Supply Act (No. 2) 2016-2017</i>	-	36,268
<i>Appropriation Act (No. 2) 2016-2017^x</i>	13,319	131,248
<i>Appropriation Act (No. 2) 2017-2018^y</i>	63,133	-
<i>Appropriation Act (No. 4) 2017-2018</i>	1,078	-
<i>Appropriation Act (No. 6) 2017-2018</i>	94,028	-
Total unspent annual appropriations	186,197	197,836

Department of Home Affairs

Notes to and forming part of the financial statements

	2018 \$'000	2017 \$'000
<u>Administered</u>		
Ordinary services		
Annual appropriation ^a		
Appropriation Act		
Administered items	2,018,042	2,250,836
Administered capital budget ^b	26,670	18,856
PGPA Act Section 75 receipts		
Administered items	53,763	-
Administered capital budget ^b	1,866	-
Total annual appropriation	2,100,341	2,269,692
Appropriation applied (current and prior years)		
Administered items applied	(1,830,655)	(1,908,546)
Capital budget applied	(18,248)	(24,246)
Variance^c	251,438	336,900
Opening unspent appropriation balance	1,338,053	1,001,153
Appropriation repealed or lapsed ^d	(551,630)	-
Closing unspent appropriation balance	1,037,861	1,338,053
Balance comprises appropriations as follows:		
Appropriation Act (No. 1) 2012-2013 ^{f,d}	-	2,700
Appropriation Act (No. 1) 2013-2014 ^d	-	10,036
Appropriation Act (No. 3) 2013-2014 ^d	-	87
Appropriation Act (No. 1) 2014-2015 ^d	-	341,999
Appropriation Act (No. 3) 2014-2015 ^{j,d}	-	24,226
Appropriation Act (No. 5) 2014-2015 ^{k,d}	-	172,582
Appropriation Act (No. 1) 2015-2016 ^{l,e}	206,343	205,431
Appropriation Act (No. 3) 2015-2016 ^{m,e}	50,871	50,656
Supply Act (No. 1) 2016-2017 ⁿ	408	3,153
Appropriation Act (No. 1) 2016-2017 – cash at bank	-	8,831
Appropriation Act (No. 1) 2016-2017 ^o	230,367	374,840
Appropriation Act (No. 3) 2016-2017 ^p	53,789	143,512
Appropriation Act (No. 1) 2017-2018 – cash at bank	8,634	-
Appropriation Act (No. 1) 2017-2018	179,056	-
Appropriation Act (No. 3) 2017-2018	308,393	-
Total unspent annual appropriations	1,037,861	1,338,053

Department of Home Affairs

Notes to and forming part of the financial statements

	2018 \$'000	2017 \$'000
Other services		
Annual appropriation ^a		
Appropriation Act – administered assets and liabilities	6,119	124,374
PGPA Act Section 75 receipts		
Administered assets and liabilities	20,708	-
States, ACT, NT and local government	3,338	-
Total annual appropriation	30,165	124,374
Appropriation applied (current year)		
Administered assets and liabilities	(46,121)	(70,373)
States, ACT, NT and local government	(930)	-
Variance^c	(16,886)	54,001
Opening unspent appropriation balance	408,665	354,664
Appropriation repealed or lapsed ^d	(193,438)	-
Closing unspent appropriation balance	198,341	408,665
Balance comprises appropriations as follows:		
<i>Appropriation Act (No. 4) 2013-2014^{s,d}</i>	-	62,000
<i>Appropriation Act (No. 2) 2014-2015^{t,d}</i>	-	131,438
<i>Appropriation Act (No. 2) 2015-2016^{v,e}</i>	7,522	28,853
<i>Appropriation Act (No. 4) 2015-2016^{w,d}</i>	62,985	62,000
<i>Supply Act (No.2) 2016-2017</i>	77,899	28,012
<i>Appropriation Act (No. 2) 2016-2017</i>	23,297	96,062
<i>Appropriation Act (No. 4) 2016-2017</i>	19,638	300
<i>Appropriation Act (No. 2) 2017-2018^y</i>	6,630	-
<i>Appropriation Act (No. 4) 2017-2018</i>	135	-
<i>Appropriation Act (No. 6) 2017-2018</i>	235	-
Total unspent annual appropriations	198,341	408,665

Department of Home Affairs

Notes to and forming part of the financial statements

- a. Appropriations as per Appropriation Acts (1 through 6) 2017-18. Departmental appropriations do not lapse at financial year end, however the responsible Minister may decide that part or all of a departmental or administered appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is reflected by the Finance Minister's determination. Such determinations for the 2017-18 year are reflected in the relevant line.
- b. Capital budgets are appropriated through Appropriation Act (No.1, No.3 and No.5). They form part of ordinary annual services and are not separately identified in the Acts.
- c. Departmental appropriations transfer across years. The Departmental variances for 'Ordinary services' and 'Other services' consist of amounts rolled forward to future years and drawdowns from prior year appropriations. The administered 'Ordinary services' variance relates to unpaid liabilities under outcomes. The administered 'Other services' variance consists of drawdowns from prior year appropriations.
- d. Appropriation Acts repealed or lapsed during 2017-18.
- e. Appropriation Acts will lapse on 1 July 2018.

The balances within Note 5.1 include amounts that have been quarantined by the Department of Finance and as such the Department is unable to utilise the amounts detailed below.

- f. Departmental: nil (2016-17: \$0.522 million);
Administered: nil (2016-17: \$2.700 million).
- g. Departmental: nil (2016-17: \$0.600 million).
- h. Departmental: nil (2016-17: \$0.257 million).
- i. Departmental: nil (2016-17: \$10.538 million);
Administered: nil (2016-17: \$341.996 million).
- j. Departmental: nil (2016-17: \$3.275 million);
Administered: nil (2016-17: \$24.226 million).
- k. Administered: nil (2016-17: \$155.143 million).
- l. Departmental: \$1.589 million (2016-17: \$1.589 million);
Administered: \$205.431 million (2016-17: \$205.431 million).
- m. Departmental: \$36.765 million (2016-17: \$36.765 million);
Administered: \$50.656 million (2016-17: \$50.656 million).
- n. Administered: \$0.003 million (2016-17: nil).
- o. Departmental: \$2.700 million (2016-17: \$2.700 million);
Administered: \$229.855 million (2016-17: \$144.384 million).
- p. Administered: \$37.569 million (2016-17: nil).
- q. Departmental: \$0.048 million (2016-17: nil).
- r. Departmental: nil (2016-17: \$3.315 million).
- s. Departmental: nil (2016-17: \$0.550 million);
Administered: nil (2016-17: \$62.000 million).
- t. Departmental: nil (2016-17: \$5.662 million);
Administered: nil (2016-17: \$96.500 million).
- u. Departmental: nil (2016-17: \$6.154 million).
- v. Departmental: \$14.639 million (2016-17: \$14.639 million);
Administered: \$7.112 million (2016-17: \$7.112 million).
- w. Administered: \$58.228 million (2016-17: \$58.228 million).
- x. Departmental: \$13.319 million (2016-17: \$13.319 million).
- y. Departmental: \$3.137 million (2016-17: nil);
Administered: \$0.200 million (2016-17: nil).

Department of Home Affairs

Notes to and forming part of the financial statements

Accounting policy

Revenue from Government

Departmental amounts appropriated for the financial year (adjusted to reflect the department's funding model agreements, formal additions and reductions) are recognised as revenue from Government when the Department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. The Department has two funding models which inform appropriations from Government. As part of the annual funding model reconciliation process, any movements in funding earned are recognised as adjustments to revenue from Government in the current financial year. The funding models are:

- The broader immigration and citizenship services funding model. This funding model has fixed and variable components, with variable funding adjusted to reflect actual movements in workload drivers including, for example, visa finalisations and citizenship decisions; and
- The Passenger Workload Growth Agreement model which provides a mechanism for the Department to adjust its funding to cater for appropriate impacts in the passenger processing environment.

Equity injections

Amounts appropriated which are designated as 'equity injections' for a financial year (less any formal reductions) and departmental capital budgets, are recognised directly in contributed equity in that year.

			2018 \$'000	2017 \$'000
Note 5.1B: Special appropriations				
Authority	Type	Purpose		
<i>Public Governance, Performance and Accountability Act 2013, Section 77</i>	Unlimited account	Repayments required or permitted by law	453,523	460,435
<i>Social Security (Administration) Act 1999, Section 242</i>	Unlimited account	To provide for income support payments	691	-
<i>Taxation Administration Act 1953, Section 16</i>	Refund	Refund of receipts to individuals under the tourist refund scheme	227,643	202,287
Total special appropriations applied			681,857	662,722

Department of Home Affairs

Notes to and forming part of the financial statements

Note 5.1C: Disclosure by agent in relation to annual and special appropriations

	DSS ^a	ATO ^b	DSS ^a	ATO ^b
	2018	2018	2017	2017
	\$'000	\$'000	\$'000	\$'000
Total receipts	2,353	227,643	1,862	202,287
Total payments	(2,353)	(227,643)	(1,862)	(202,287)

- a. The Department made wage supplementation payments from the social and community services pay equity special account administered by the Department of Social Services (DSS) to eligible social and community services workers.
- b. The Department administers the Tourist Refund Scheme (TRS) on behalf of the Australian Taxation Office (ATO). The TRS allows for departing Australian international passengers and overseas tourists to claim back the Wine Equalisation Tax and/or Goods and Services Tax on goods purchased in Australia and taken overseas with them.

	2018 \$'000	2017 \$'000
Note 5.1D: Net cash appropriation arrangements		
Total comprehensive loss as per the statement of comprehensive income	(289,216)	(278,670)
Depreciation/amortisation expenses previously funded through revenue appropriation	290,529	285,258
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations	1,313	6,588
Changes in asset revaluation reserve	(35,212)	2,035
Surplus/(deficit) attributable to the Australian Government less depreciation/amortisation expenses previously funded through revenue appropriation	(33,899)	8,623

Department of Home Affairs

Notes to and forming part of the financial statements

5.2 Statutory conditions for payments from the Consolidated Revenue Fund

Section 83 of the Constitution of Australia provides that no money shall be drawn from the Consolidated Revenue Fund except under appropriation made by law. Two categories of payments were assessed by the Department as high risk of non-compliance with the requirements of Section 83.

Collection and refund of Customs Duty

The Department operates under a self-assessment regime for its Customs Duty collection and refunds, which facilitates trade and ensures collection of border related revenue in a cost effective manner. This process involves importers and brokers undertaking self-assessments to determine duty payable and refunds of that duty. This self-assessment regime is supported by a compliance function which targets high risk transactions with a view to identifying intentional misstatement and fraud.

The Department's compliance governance and management oversight arrangements for the collection of Customs Duty are in place to provide oversight of these high risk transactions and subsequently provide stakeholders with assurance of compliance with that the requirements of Section 83. The analysis for 2017-18 identified 417 (2016-17: 367) breaches, totalling approximately \$419,332 (2016-17: \$432,077) in relation to payments made under Section 77 of the PGPA Act.

As at 30 June 2018, \$320,201 (2016-17: \$285,088) of these amounts had been recovered or offset. The Department expects to recover or offset the remaining balance. A legislative change to exclude refunds paid due to a wrongful self-assessment of Customs Duty from being a breach of Section 83 is currently before Parliament.

Natural disaster relief and recovery payments

Responsibility for the natural disaster relief and recovery arrangements were transferred to the Department from the Attorney-General's Department as a result of restructuring in 2017-18. The Department of Human Services (DHS) provides assessment and payment services on behalf of the Department in disaster affected locations to claimants assessed as eligible and meeting the statutory conditions under the *Social Security Act 1991*. These conditions may contribute to a circumstance where an incorrect payment arises from an error of fact.

The Secretary has issued delegations to DHS to facilitate payments and DHS is responsible for the detection, and where appropriate, recovery of any unauthorised payments. The analysis for 2017-18 identified one (2016-17: nil) potential non-compliant prior year payment totalling \$1,800 (2016-17: nil). No payments made in 2017-18 are currently under investigation.

The enactment of the amendment to the *Social Security Act 1991* and the *Social Security (Administration) Act 1999* effected by *Financial Framework Legislation Amendment Act (No 2) Act 2013* on 28 May 2013 provided that overpayments made in good faith will not give rise to a breach of Section 83 of the Constitution. The Department and DHS will however, continue to follow up potential overpayments and seek recovery where applicable.

Department of Home Affairs

Notes to and forming part of the financial statements

5.3 Special accounts

Australian population multicultural and immigration research program special account

The Australian population multicultural and immigration research program (APMIRP) special account was established on 17 August 2006 by *Financial Management and Accountability Determination 2006/38 — Australian Population, Multicultural and Immigration Research Program Special Account Establishment 2006* for the purpose of receiving amounts, and conducting research, in connection with migration, settlement, multicultural affairs and population trends.

The APMIRP special account ceased during 2016-17 with the sunset clause taking effect on 1 October 2016. The 2016-17 opening balance of the APMIRP special account was nil and there were no transactions through the special account in 2016-17.

Proceeds of Crime Act 2002 programs special account

The *Proceeds of Crime Act 2002* programs (POCA) special account was established on 2 May 2018 by *PGPA Act Determination (POCA Programs Special Account 2018)* for the purpose of receiving amounts from the confiscated assets account (managed by the Australian Financial Security Authority) and other special accounts in order to make payments for POCA programs.

The 2017-18 opening balance of the POCA special account was nil and there were no transactions through the special account in 2017-18. The special account will be operative from 1 July 2018.

Responsibility for POCA programs undertaken by the Attorney-General's Department (AGD) were transferred to the Department as a result of updates to administrative arrangements during 2017-18. The balance for these activities continued to be maintained within the services for other entities and trust moneys special account administered by AGD. Increases and decreases in 2017-18 in connection with these activities have been recognised by AGD. Refer to Note 8.1 for further information in connection with restructuring.

Services for other entities and trust moneys special account

The services for other entities and trust moneys (SOETM) special account was established on 2 May 2018 by *PGPA Act Determination (Home Affairs SOETM Special Account 2018)* for the purposes of crediting and disbursing amounts that are seized, found or forfeited to the Department; amounts received from other entities in order to carry out joint activities; and other activities.

The 2017-18 opening balance of the SOETM special account was nil and there were no transactions through the special account in 2017-18. The special account will be operative from 1 July 2018.

Department of Home Affairs

Notes to and forming part of the financial statements

5.4 Regulatory charging summary

Regulatory charging activities are those activities where Government has agreed that a regulatory function is to be charged for on a full or partial cost recovery basis. This note provides industry, the Parliament and the public with assurance that these activities are being managed in a way that aligns expenses and revenues over time.

	2018 \$'000	2017 \$'000
Amounts applied		
Departmental		
Annual appropriations ^a	<u>419,335</u>	<u>416,746</u>
Total amounts applied	<u>419,335</u>	<u>416,746</u>
Expenses		
Departmental	<u>470,472</u>	<u>464,922</u>
Total expenses	<u>470,472</u>	<u>464,922</u>
External revenue		
Departmental ^b	7,661	828
Administered	<u>483,424</u>	<u>451,142</u>
Total external revenue	<u>491,085</u>	<u>451,970</u>
Amounts written off		
Administered	<u>-</u>	<u>7</u>
Total amounts written off	<u>-</u>	<u>7</u>

- Annual appropriations include the cash component of expenses and any capital amounts for the given year. This will exclude the non-cash expenses of depreciation and amortisation and movement in provisions.
- Charges collected under Import Processing Charges (IPC) as revenue under section 74 revenue.

Cost recovered activities

Australian citizenship applications

The Department implements cost recovery arrangements for processing applications to acquire, renounce or resume Australian citizenship. Activities that are cost recovered include the assessment of applications and management of citizenship test resources, the provision of call centre and online support to applicants, the production and distribution of certificates, and the facilitation of some citizenship ceremonies. Costs are recovered through fees charged on applications, which are administered in nature. Fees differ by the type of application and eligibility of the applicant, and are set to recover the cost of processing each application. Charges recovered in relation to citizenship totalled \$61.986 million (2016-17: \$51.600 million). Expenses totalled \$58.757 million (2016-17: \$63.045 million).

Department of Home Affairs

Notes to and forming part of the financial statements

Import Processing Charges and licensing charges

Import Processing Charges (IPC) and licensing charges recover the costs of the Department's cargo and trade related activities. This includes fees for warehouse, depot and broker licences, warehouse declarations fees, location, time and travel fees along with the processing charges associated with administering the importation of goods into Australia. The majority of charges collected are administered in nature, however Government agreed that some charges be collected as departmental revenue. Charges recovered in relation to IPC and Licensing totalled \$422.342 million (2016-17: \$399.542 million). Expenses totalled \$404.931 million (2016-17: \$401.877 million).

AusCheck Background Checking Service

The AusCheck Background Checking Service coordinates national security background checks and related functions for the aviation, maritime and national health security schemes. The enabling legislation is the *AusCheck Act 2007* and the *AusCheck Regulations 2007*. Charges recovered by the Department in relation to AusCheck Background Checking Service totalled \$6.757 million (2016-17: nil) and expenses totalled \$6.784 million (2016-17: nil).

Department of Home Affairs

Notes to and forming part of the financial statements

6. People

6.1 Employee expenses and provisions

	2018	2017
	\$'000	\$'000
<u>Note 6.1A: Employee benefits</u>		
Wages and salaries	895,886	893,539
Superannuation		
Defined contribution plans	97,880	93,195
Defined benefit plans	106,872	110,739
Leave and other entitlements	257,393	213,421
Separation and redundancies	7,058	21,979
Other employee expenses	75,055	76,501
Total employee benefits	1,440,144	1,409,374
<u>Note 6.1B: Employee provisions</u>		
Leave	441,845	395,062
Other	2,233	2,191
Total employee provisions	444,078	397,253

The 2017-18 average staffing level for the Department was 13,892 (2016-17: 13,972).

Accounting policy

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within 12 months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the amounts expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the net total of the present value of the obligation at the end of the reporting period less the fair value at the end of the reporting period of plan assets (if any) from which the obligations will be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is expected to be taken, including the Department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. Future salary rates are estimated for financial reporting purposes based on historical analysis, policy settings and, for long service leave, actuarial advice is obtained.

Department of Home Affairs

Notes to and forming part of the financial statements

Locally engaged employees

Locally engaged employees (LEE) are covered by individual employment contracts which are negotiated between the employee and the Department of Foreign Affairs and Trade on behalf of the Department to ensure compliance with local labour laws and regulations. The individual contracts are supported and expanded upon by the Department's LEE Conditions of Service Handbook which is specific to each post. Where there is conflict between the two documents the individual contract takes precedence.

Provisions for employee entitlements including unfunded liabilities are recognised in accordance with the conditions of service at each post. LEE conditions at some posts include separation payments, for any cessation of employment, based on years of service. The provisions recognised for these entitlements do not represent termination payments.

Separation and redundancy

The Department recognises a provision for termination payments when it has developed a detailed formal plan for the terminations and has informed employees affected that it will carry out the terminations.

Superannuation

The Department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or non-government superannuation funds where employees have exercised choice. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and all non-government funds are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's financial statements administered schedules and notes. The Department makes employer contributions to the employee's defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to Government. The Department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at reporting date represents outstanding contributions.

Key management personnel remuneration

Key management personnel are identified as those people having the authority and responsibility for planning, directing and controlling the activities of the Department, either directly or indirectly. Remuneration of key management personnel includes employee benefits paid to officers serving as: the Secretary; ABF Commissioner; Deputy Secretaries; Deputy Commissioners; and other officers serving positions in line with this level of authority and responsibility. This includes officers who have acted in any of the aforementioned roles for a continuous period of three months or more or departed prior to reporting date.

Key accounting judgements and estimates

The liability for long service leave has been determined by reference to the work of an actuary. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation. The estimate of future costs requires management and independent actuarial assessment of assumed salary growth rates, future on-cost rates and the experience of employee departures. The future costs are then discounted to present value using market yields on government bonds in accordance with AASB 119 *Employee Benefits*.

Department of Home Affairs

Notes to and forming part of the financial statements

6.2 Key management personnel remuneration

	2018	2017
	\$	\$
<u>Key management personnel remuneration expenses</u>		
Short-term employee benefits	4,139,672	3,262,267
Post-employment benefits	643,613	532,910
Other long-term employee benefits	1,174,956	312,811
Total key management personnel remuneration expenses	5,958,241	4,107,988

The number of key management personnel included in the above table is 16 (2016-17: 11). As this number includes officers who were only employed by the Department for part of the year, on the basis of full time equivalency, the number of key management personnel directly remunerated during 2017-18 was 11.24 (2016-17: 8.00).

Total remuneration for key management personnel includes resources received free of charge amounting to \$329,250 (2016-17: nil). Refer to note 1.2C for further information in connection with resources received free of charge.

6.3 Related party relationships

The Department is an Australian Government controlled entity. The Department's related parties are key management personnel (including Portfolio Ministers) and other Australian Government entities. The remuneration of key management personnel within Note 6.2 excludes the remuneration and other benefits of Portfolio Ministers. Portfolio Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Department.

Transactions with related parties

Given the breadth of Government activities, related parties may transact within the Government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of duties, taxes or other fees. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related parties, and transactions entered into during the reporting period, it has been determined that there are no other related party transactions to be separately disclosed.

Department of Home Affairs

Notes to and forming part of the financial statements

7. Managing uncertainties

7.1 Contingent assets and liabilities

	Other contingent assets	Other contingent assets
	2018	2017
	\$'000	\$'000
Contingent assets		
Balance from previous period	1,893	-
New contingent assets recognised	122	1,893
Re-measurement	150	-
Assets realised	(1,015)	-
Total contingent assets	1,150	1,893

As at 30 June 2018 the Department had no quantifiable contingent liabilities (2016-17: nil).

Unquantifiable contingencies

The Department has a number of legal claims lodged against it for damages and costs. The Department is responding to these claims in accordance with its obligations under the *Legal Services Directions 2017*. It is not possible to estimate the amount and timing of any eventual payments that may be required in relation to these claims.

Accounting policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in this note. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable, but not virtually certain and contingent liabilities are disclosed when the probability of settlement is greater than remote. Other contingent assets comprise potential future benefits under contractual arrangements which are contingent on future events that cannot be reliably predicted.

7.2 Administered – contingent assets and liabilities

	Claims for damages or costs	Claims for damages or costs
	2018	2017
	\$'000	\$'000
Contingent liabilities		
Balance from previous period	-	700
Liabilities realised	-	(700)
Total contingent liabilities	-	-

As at 30 June 2018 the Department had no quantifiable contingent assets (2016-17: nil) or liabilities (2016-17: nil).

Department of Home Affairs

Notes to and forming part of the financial statements

Unquantifiable administered contingencies

Claims and legal actions

The Department has a number of claims and legal actions lodged against it for damages and costs. The Department is responding to these claims in accordance with its obligations under the *Legal Services Directions 2017*. It is not possible to estimate the amount and timing of any eventual payments that may be required in relation to these claims.

Revenue collection securities

The Department holds a number of contingent assets in the form of securities held as part of revenue collection processes. Securities that may be surrendered to the Commonwealth due to failure to meet legislative requirements cannot be estimated and the amount is not quantifiable. From time to time the Department needs to enforce these securities and recognise an associated gain.

Indemnities provided to state and territory governments

The Department has arrangements with state and territory governments for the provision of various services (including health, education, corrections and policing services) to immigration detention facilities and people in immigration detention. Certain jurisdictions are indemnified by the Australian Government for the provision of these services under these arrangements. These indemnities are contingent on potential losses or damages arising out of, or incidental to, the provisions of services under these arrangements and cannot be quantified.

Financial assistance for Australian victims of terrorism overseas

The *Social Security Act 1991* provides for support to Australian victims of terrorism overseas whereby eligible recipients may receive payments of financial assistance. Future payments are contingent on the eligibility of potential claims and cannot be quantified.

Natural disaster relief and recovery arrangements

The Australian Government provides funding to state and territory governments to assist with natural disaster relief and recovery costs as set out in the *Natural Disaster Relief and Recovery Arrangements Determination*. For major disasters, Government may approve payments to individuals under the *Social Security Act 1991*. These include the Disaster Recovery Payment and Disaster Recovery Allowance. Future funding and payments are contingent on the eligibility of potential claims that meet the relevant requirements and cannot be quantified.

Limited liabilities

The Department contracts service providers to deliver various services for the Australian Government. In certain circumstances, the Department may agree to limit service providers' maximum liability in connection with contracted services, which may give rise to a material contingent liability for the Department. The Department's potential losses or damages under these arrangements are contingent on amounts exceeding specified limits and other circumstances, and are not quantifiable.

Department of Home Affairs

Notes to and forming part of the financial statements

7.3 Financial instruments

	2018	2017
	\$'000	\$'000
Note 7.3A: Categories of financial instruments		
Loans and receivables		
Cash and cash equivalents	3,519	4,214
Trade and other receivables	81,469	24,854
Total financial assets	84,988	29,068
Financial liabilities measured at amortised cost		
Suppliers	270,947	214,804
Total financial liabilities	270,947	214,804

Note 7.3B: Categories of administered financial instruments

Loans and receivables		
Cash and cash equivalents	54,100	55,239
Non-taxation receivables	89,441	731
Total financial assets	143,541	55,970
Financial liabilities measured at amortised cost		
Suppliers	311,647	244,744
Grants and contributions payable	9,129	-
Total financial liabilities	320,776	244,744

Department of Home Affairs

Notes to and forming part of the financial statements

8. Other information

8.1 Restructuring

In July 2017, Government announced significant reforms to Australia's national security arrangements. These commenced on 20 December 2017 with the appointment of new Ministers and the establishment of the Home Affairs portfolio. The portfolio brings together Australia's federal law enforcement, national security, cyber security, transport security, criminal justice, emergency management, multicultural affairs and immigration and border-related functions.

In establishing the Department of Home Affairs under the new portfolio, responsibility for certain functions were transferred from the following entities:

- The Attorney-General's Department (AGD)
- The Department of Infrastructure, Regional Development and Cities (DIRDC)
- The Department of Prime Minister and Cabinet (PMC)
- The Department of Social Services (DSS)

The Department assumed responsibility for the functions transferred as a result of the Administrative Arrangement Orders dated 20 December 2017.

Function assumed	Losing entity
National security policy and operations	AGD & PMC
Law enforcement policy and operations	AGD
Multicultural affairs	DSS
Transport security	DIRDC
Cyber policy co-ordination	PMC
Protective services at Commonwealth establishments and diplomatic and consular premises in Australia	AGD
Critical infrastructure protection co-ordination	AGD
Commonwealth emergency management	AGD
Natural disaster relief, recovery and mitigation policy and financial assistance including payments to the States and Territories and the Australian Government Disaster Recovery Payment	AGD

Department of Home Affairs

Notes to and forming part of the financial statements

Note 8.1A: Departmental restructuring – functions assumed

	AGD \$'000	DIRDC \$'000	PMC \$'000	DSS \$'000	Total \$'000
Assets acquired					
Cash and cash equivalents	-	27	-	-	27
Trade and other receivables	23,221	9,352	1,261	615	34,449
Leasehold improvements	12,336	3,251	-	-	15,587
Plant and equipment	11,161	351	-	-	11,512
Computer software	18,039	2,432	-	-	20,471
Other non-financial assets	311	435	-	-	746
Total assets acquired	65,068	15,848	1,261	615	82,792
Liabilities assumed					
Suppliers	2,599	323	-	-	2,922
Other payables	4,868	805	-	-	5,673
Employee provisions	13,312	8,427	1,345	650	23,734
Other provisions	-	290	-	-	290
Total liabilities assumed	20,779	9,845	1,345	650	32,619
Net assets acquired	44,289	6,003	(84)	(35)	50,173
Income for functions assumed					
Recognised by the Department	15,964	-	-	-	15,964
Recognised by the losing entity	17,684	266	-	-	17,950
Total income for functions assumed	33,648	266	-	-	33,914
Expenses for functions assumed					
Recognised by the Department	37,506	15,159	1,024	432	54,121
Recognised by the losing entity	54,610	24,446	4,177	1,068	84,301
Total expenses for functions assumed	92,116	39,605	5,201	1,500	138,422

Department of Home Affairs

Notes to and forming part of the financial statements

Note 8.1B: Administered restructuring – functions assumed

	AGD \$'000	DIRDC \$'000	PMC \$'000	Total \$'000
Assets acquired				
Non-taxation receivables	105,113	-	-	105,113
Plant and equipment	1,880	-	-	1,880
Computer software	318	-	-	318
Prepayments	922	-	-	922
Total assets acquired	108,233	-	-	108,233
Liabilities assumed				
Suppliers	101	-	-	101
Grants and contributions	5,404	-	-	5,404
Total liabilities assumed	5,505	-	-	5,505
Net assets acquired	102,728	-	-	102,728
Income for functions assumed				
Recognised by the Department	1,538	-	-	1,538
Recognised by the losing entity	2,865	-	-	2,865
Total income for functions assumed	4,403	-	-	4,403
Expenses for functions assumed				
Recognised by the Department	30,189	22	2	30,213
Recognised by the losing entity	41,795	3	29	41,827
Total expenses for functions assumed	71,984	25	31	72,040

Department of Home Affairs

Notes to and forming part of the financial statements

8.2 Budgetary reporting

The following provides an explanation of variances between the original budget as presented in the 2017-18 Portfolio Budget Statements (PBS) and the 2017-18 final actual result. The budget is not audited. The budget figures as published in the PBS have been restated to align with the presentation and classification adopted in the financial statements.

Explanations are provided for major budget variances only. Variances are treated as major when it is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of the Department's performance.

The nature and timing of the Commonwealth's budget process can also contribute to the variances of an organisation. For the Department's variance analysis, the major budget impacts include:

- Estimated actual outcomes were published in the 2016-17 PBS before the closing 2016-17 and opening 2017-18 Statement of Financial Position was known;
- The original budget as presented in the 2017-18 PBS is amended by Government throughout the year. The Department's budget for 2017-18 was updated as part of the 2017-18 Portfolio Additional Estimates Statements (PAES), 2017-18 Portfolio Supplementary Additional Estimates Statements (PSAES) and again as part of the 2018-19 PBS process where estimated actuals for 2017-18 are presented as comparatives for the 2018-19 budget figures;
- The Department is subject to a number of variable funding mechanisms which will automatically increase or decrease departmental revenue from government in the event that specified immigration and citizenship related activity levels deviate from those which were anticipated when the budget was prepared; and
- Restructuring in establishing the Home Affairs Portfolio was not anticipated or factored into the original budget. Refer to Note 8.1 for further information in connection with the Department's restructuring as a result of updates to administrative arrangements during 2017-18.

The variance commentary below will make mention of these factors where applicable.

8.2A Explanations for major budget variances

Departmental expenses

The total variance between departmental expenses and the original budget is an increase of \$226 million (or 8%). Increases in expenses can be attributed to:

- Employee benefits which were \$104 million higher than original budget predominantly due to the following:
 - Restructuring in establishing the Home Affairs Portfolio resulted in the Department being responsible for additional functions and on boarding additional staff;
 - Additional border clearance services needing more staff in particular for Perth and Canberra airports. The majority of this increase was recognised in the PAES update; and
 - The impact of a 4% pay rise granted through an interim determination of the Fair Work Commission on 8 June 2018.
- Supplier expenses were \$78 million higher than the original budget as a result of providing an increased level of service. The additional service predominantly relates to the following:
 - Restructuring in establishing the Home Affairs Portfolio resulted in the Department being responsible for additional functions; and
 - Implementation of new international airports at Perth Terminal 3 and Canberra airport.
- Depreciation and amortisation expenses were \$22 million higher than original budget as a result of changes in asset useful lives. This was due to adjustments in asset usage and the timing of capitalisations differing from the original budget.

Department of Home Affairs

Notes to and forming part of the financial statements

Departmental income

The total variance between departmental income and the original budget is an increase of \$170 million (or 7%). This increase can predominantly be attributed to:

- An additional \$140 million of appropriation funding recognised over the course of the year from a combination of variable funding model adjustments (\$35 million) linked to higher than anticipated levels of activity, funding for the measure Home Affairs ICT Systems - upgrade (\$36 million) provided in the PSAES 2017-18, and PGPA Act Section 75 funding as a result of restructuring (\$48 million); and
- Increases in own source revenue of \$30 million predominantly relating to resources received free of charge and additional revenue streams associated with activities transferred to the Department in connection with restructuring.

Departmental assets

Total departmental assets are \$203 million higher (or 11%) than the original budgeted position.

Non-financial assets are \$165 million higher than the original budgeted position. Of this amount, \$31 million relates to the difference in the opening actuals balance in July 2017 compared to the original budget set in May 2017. The remaining balance (\$134 million) has been influenced by:

- An increase in prepayments of \$56 million that predominantly relates to a number of multi-year prepayments for IT software contracts which were not anticipated in the original budget;
- The annual revaluation of non-financial assets resulted in an increase of \$48 million to the asset values; and
- A transfer of \$48 million of non-financial assets as a result of restructuring.

Financial assets are \$37 million higher than the original budgeted position. This is largely attributed to a \$51 million receivable relating to a Memorandum of Understanding that had been budgeted to be paid in 2017-18 but was not paid until July 2018.

Departmental liabilities

Total departmental liabilities are \$73 million higher (or 10%) than the original budgeted position. The increase is predominantly attributed to:

- The employee provision balance being \$19 million higher than budgeted, largely the result of revaluation of leave provisions following the issue of an interim determination from the Fair Work Commission. This resulted in a corresponding increase in employee expenses; and
- A \$26 million increase in suppliers payable that reflects the overall higher supplier expenses discussed above.

Departmental cash flow

The amounts reported in the departmental cash flow statement are interrelated with figures disclosed in the statement of comprehensive income and statement of financial position.

Consequently, cash flow variances will be attributable to the relevant variance explanations provided above under departmental expenses, departmental revenue, departmental assets and departmental liabilities.

Department of Home Affairs

Notes to and forming part of the financial statements

8.2B Explanations for major administered budget variances

Administered expenses

The total variance between administered expenses and the original budget estimate is an increase of \$706 million (or 43%). This can be predominantly attributed to:

- Additional expenditure of \$421 million to support the delivery of activities under Program 1.4 – IMA Offshore Management for which the Department received supplementary funding at the 2017-18 PAES;
- Assuming responsibility for delivering a number of new administered functions that transferred to the Department as a result of restructuring along with associated funding of \$53 million; and
- Expenditure associated with gifting, grants and contributions was \$259 million higher than the original budget. This is largely due to the gifting of infrastructure to the Papua New Guinea (PNG) government following cessation of Australia's involvement in managing the Manus Island Regional Processing Centre (RPC).

Administered income

The total variance between the administered income and the original budget estimate is an increase of \$788 million (or 4%). This can be predominantly attributed to:

- Customs duty revenue was \$15.689 billion, \$0.960 billion above the original estimate of \$14.729 billion. Collections for Excise Equivalent Goods (EEG) and Other General Duty Collections were the predominant areas where collections were higher than estimated, with EEG volumes continuing to exceed budgeted volumes for both tobacco and alcohol imports; and
- There was lower than budgeted collection of other taxes of \$188 million that offsets the higher duty revenue above. This is largely attributable to lower than budgeted Visa Application Charge revenue of \$249 million. The variance is due to the legislative delay of the Skilling Australia Fund levy measure and lower than anticipated applications and associated charges for temporary resident and economic migration as a result of a stronger decline in temporary skilled workers than estimated.

Administered assets

Total assets are \$118 million (or 6%) less than the original budgeted position.

Non-financial assets were \$411 million lower than the original budgeted position. Of this amount, \$123 million is related to the difference in the opening actuals balance in July 2017 compared to the original budget set in May 2017. The remaining balance (\$288 million) is predominantly attributed to the gifting of infrastructure to the PNG government following cessation of Australia's involvement in managing the Manus Island RPC.

Financial assets were \$281 million higher than the original budgeted position which offsets the lower balance of non-financial assets above. This can be predominantly attributed to:

- Taxation Receivables being \$169 million higher than budget. This is due in part to the increase in duty revenue associated with tariff increases (particularly for EEG), the related volumetric movement, and the impact of the timing associated with weekly settlements; and
- Non-Taxation Receivables being \$104 million higher than budget. This is largely due to a balance of \$89 million in concessional loans for natural disaster and recovery arrangements for which responsibility was transferred to the Department because of restructuring.

Department of Home Affairs

Notes to and forming part of the financial statements

Administered liabilities

Total administered liabilities are \$112 million (or 40%) higher than the original budgeted position.

The administered suppliers payable were \$100 million higher than the original budget. This was predominantly due to:

- Larger than anticipated contract accruals related to regional processing and onshore detention; and
- The inclusion of additional amounts linked to new administered functions that transferred to the Department as a result of restructuring.





Part 6

Management and accountability

Corporate governance

Statement of main governance practices

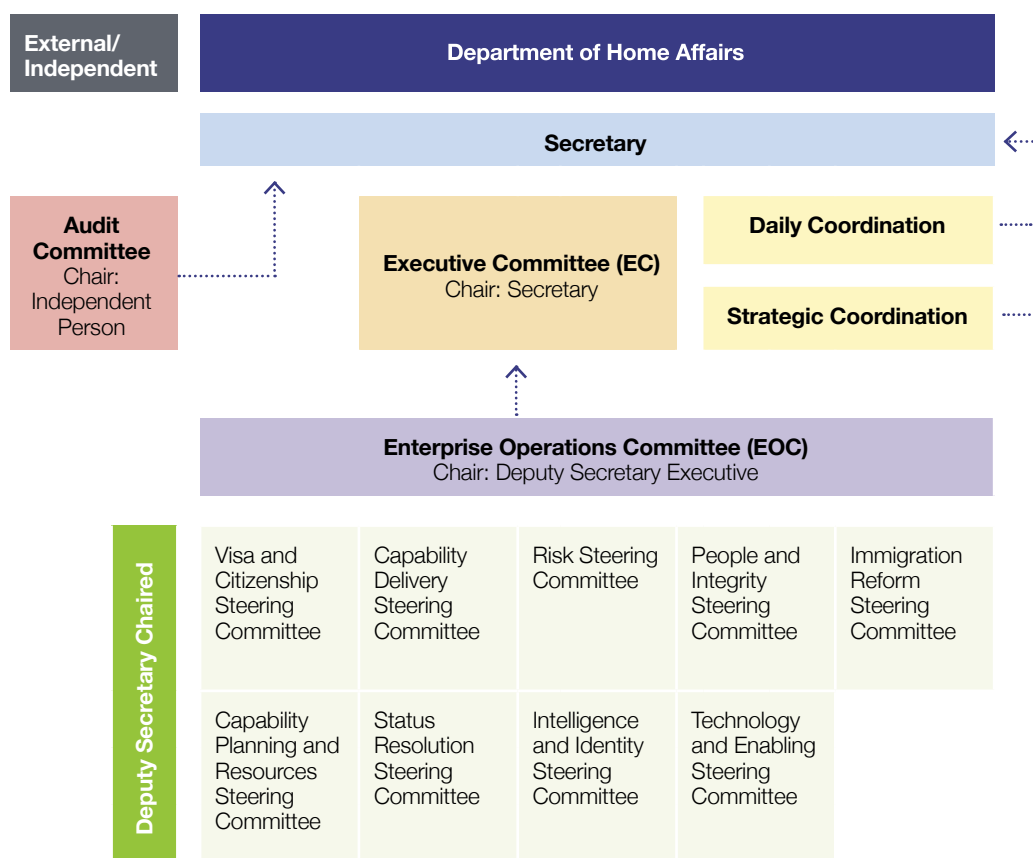
The Department of Home Affairs is responsible for administering legislation, developing policy, managing and delivering programs, ensuring compliance and delivering government services. Given the breadth of its responsibilities, it is essential that the Department has a clear framework for its governance and decision-making, and that roles and responsibilities are clearly defined to ensure that objectives are achieved.

The governance arrangements outlined in this chapter, apply to the Department and the ABF. Following the former Prime Minister's announcement of 18 July 2017 to establish the Department of Home Affairs and Home Affairs Portfolio, enterprise governance arrangements for the new Department were developed based on the provisions of the PGPA Act. The revised governance arrangements ensures alignment to the Department's purposes and encourages greater horizontal and vertical decision-making. The structure minimises the number of committees and ensures that decision making is transparent.

The Executive Committee (EC), chaired by the Secretary, provides strategic direction and focuses on complex, enterprise-wide issues. Increased decision-making occurs at the Enterprise Operations Committee (EOC), chaired by the Deputy Secretary Executive, and the nine steering committees that sit below EOC. In recognition of its operational independence, the ABF maintains its own governance arrangements. However, the governance and working committees of the Department and the ABF contain linkages through their membership and functions so that the Secretary properly acquits his PGPA Act responsibilities. These arrangements ensure that alignment is maintained between the ABF's operational functions and the Department's policy, program, enabling and support functions.

Home Affairs senior management committees

Figure 9 – Governance and Engagement Arrangements Chart – Department of Home Affairs



Executive Committee

The Executive Committee (EC) is the Department's premier strategic forum for identifying and managing critical issues, setting priorities and direction. It is chaired by the Secretary, the accountable authority under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), who is the final decision maker on matters brought before the committee.

Enterprise Operations Committee

The Enterprise Operations Committee (EOC) supports the EC with decisions and advice, and oversees enterprise-wide issues concerning the Department's effective management and performance. The Deputy Secretary Executive chairs the EOC.

Audit Committee

Consistent with section 45 of the PGPA Act the Secretary maintains an Audit Committee (AC). Its role is to review and provide independent assurance and assistance to the Secretary and ABF Commissioner on the appropriateness of their risk oversight and management, system of internal controls, financial reporting and performance reporting.

In 2017–18, the committee comprised three external members, including the Chair, and two internal members. It met eight times, including a special meeting to consider the annual financial statements and annual performance statements. The Chair reported to the Secretary on its activities and key issues arising from each meeting.

A Financial Statements Sub-Committee, chaired by an external member, supported the Audit Committee. The sub-committee met regularly to review the process of preparing the Department's annual financial statements.

Visa and Citizenship Steering Committee

The Visa and Citizenship Steering Committee (VCSC) provides strategic direction, advice and oversight of key program activities relating to immigration and citizenship services. It reports to the Enterprise Operating Committee.

The VCSC's three priorities are:

- » addressing key delivery risks and issues within visa and citizenship programs.
- » actively managing the connection of immigration reform with the increasing demands of business-as-usual work.
- » monitoring the execution of the Visa and Citizenship Operating Model 2020 (VCOM2020) strategy.

Capability Delivery Steering Committee

The Capability Delivery Steering Committee (CDSC) monitors and reports on the Department's portfolio of projects and recommends adjustments to ensure that the Department is able to achieve its objectives. It reports to the EOC.

It provided portfolio, program and project oversight to ensure that outcomes were achieved and benefits realised against the Department's capability plans. It focused on critical and high-priority projects, particularly the ongoing strategic alignment of program and project direction with the Department's plans. The committee also coordinated the establishment of new projects that, when approved, will move into the Department's portfolio of projects.

Risk Steering Committee

The Risk Steering Committee (RSC) provides advice on critical risks and improving risk management. The committee also focuses on integrating risk management within governance and strategic business and planning processes, and emphasises the need to consider enterprise risks and shared risks during decision-making. It reports to the EOC.

People and Integrity Steering Committee

The People and Integrity Steering Committee (PISC) is responsible for incorporating current and emerging business priorities into the Department's People Strategy, workforce planning, inclusiveness and culture, and the integrity, work health and safety and workforce capability strategies.

The PISC helped the EOC and EC to fulfil their management responsibilities.

Immigration Reform Steering Committee

The Immigration Reform Steering Committee (IRSC) is the primary governance body for the integrated Immigration Reform Program. Its role is to ensure that outcomes are delivered, benefits gained and program risk managed. It also oversees responses to Government, ensuring that comeback proposals and narrative are aligned with government and departmental strategy. The committee also aims to ensure that the program's policy, technology, service delivery and risk assessment elements align. It closely monitors cross-program dependencies. It reported to the EOC.

Capability Planning and Resources Steering Committee

The Capability Planning and Resources Steering Committee (CPRSC) provides a forum to discuss, analyse and advise on all aspects of the Portfolio's strategic planning and financial management frameworks, and the allocation of resources to support these frameworks and workforce planning.

CPRSC recommendations are made to the EOC and EC.

Status Resolution Steering Committee

The Status Resolution Steering Committee (SRSC) is primarily responsible for forward-looking, strategically aligned, consistent and enhanced coordination of operations to protect the community and resolve status resolution matters. It reports to the EOC.

Intelligence and Identity Steering Committee

The Intelligence and Identity Steering Committee (IISC) monitors performance and gives business direction for intelligence, identity and data programs. It ensures that projects and programs delivered the required results and embedded new capability in line with the departmental technology strategy.

Enterprise-level topics are referred directly to the EOC, while project and program related topics are referred to the CDSC.

Technology and Enabling Steering Committee

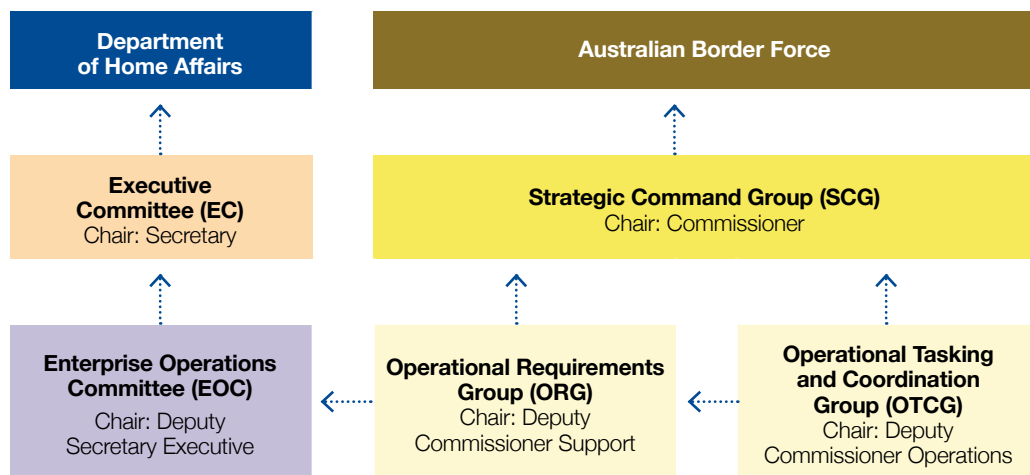
The Technology and Enabling Steering Committee (TESC) gives advice on new technology and ICT capacity. It enables change through enhanced transparency, accountability and effective program and project governance. It also oversees, tracks and monitors performance and provides business direction for projects within the technology and enabling program. It reported to the EOC.

Australian Border Force senior management committees

The Australian Border Force's (ABF) governance arrangements complement the Department's. The ABF Commissioner was supported by the:

- Strategic Command Group
- Operational Requirements Group
- Operational Tasking and Coordination Group

Figure 10 – Governance and Engagement Arrangements Chart – Australian Border Force



Strategic Command Group

The Strategic Command Group (SCG) is responsible for providing guidance, managing business operations and setting the strategic direction for the ABF, including overseeing ABF operational priorities for the financial year.

The SCG, chaired by the ABF Commissioner, supports the Department's strategic plan through the endorsement of high-level input regarding ABF requirements and the strategic design and guidance of the ABF operating model and change program.

Operational Requirements Group

The Operational Requirements Group (ORG) provides guidance for the ABF's support, operational and future capability requirements.

The ORG, chaired by the Deputy Commissioner Support Group, aligns existing and future capabilities with the SCG's operational priorities, enabling the delivery of training, operational capabilities and asset deployment.

Operational Tasking and Coordination Group

The Operational Tasking and Coordination Group (OTCG) supports the work of the SCG by developing, implementing and monitoring performance against the ABF's operational priorities.

The OTCG, chaired by the Deputy Commissioner Operations Group, addresses changes in strategic and operational intelligence, risks and issues to drive operational activities and meet outcomes and objectives.

Corporate and business planning

With the establishment of the Department of Home Affairs in December 2017, the Department commenced a new planning process that informed the revised outcome and program structure for the Home Affairs Portfolio Budget Statements 2018–19.

For performance reporting, the Department continued to focus on the performance criteria outlined in the set of 2017–18 corporate documents from entities that had functions for which the Department of Home Affairs is now responsible. This included all performance measures in the *Department of Immigration and Border Protection Corporate Plan 2017–18*. It also included performance measures for functions that moved into the Department from the Attorney-General's Department and the Department of Infrastructure and Regional Development, which were contained in these department's 2017–18 corporate plans. This was a transitional arrangement.

The Department of Home Affairs Corporate Plan 2018–19 will outline all relevant purposes and performance measures for which the Department is responsible.

Business planning in 2017–18 was informed by the relevant performance measures in corporate plans, and enabled business areas to align their activities with the Department's organisational priorities. This also provided a clear link to performance goals in individual performance development agreements.

RAND Review – Looking to the Future

In 2017–18 the Department initiated a review in preparation for the establishment of Department of Home Affairs. RAND Corporation (Australia) was engaged to undertake a comprehensive review of the integration of the Department of Immigration and Border Protection (DIBP) and the Australian Customs and Border Protection Service (ACBPS), along with a forward-looking study on how the new Department of Home Affairs could be positioned to meet future challenges.

The review examined five international models and focused on how insights and lessons from these could be beneficial in taking forward the Department of Home Affairs. It concluded that there was clear and unequivocal progress made towards building a modern border management capability for Australia²⁰. For example, in areas of policy, operations, and intelligence, unequivocal progress had been made toward the goals of integration and subsequent reform.

The review concluded that the integration of the former Department of Immigration and Border Protection provided a solid basis for the establishment of Home Affairs.

20 <https://www.homeaffairs.gov.au/ReportsandPublications/Documents/reviews-and-inquiries/looking-future-dibp.pdf>

Internal audit arrangements

The Strategic Assurance Program (SAP) is the overarching independent assurance work plan for the Department and ABF, including planned internal audits. It is a rolling program, subject to six-monthly review.

This approach allows the Department to take a strategic and flexible approach to pre-empt emerging risks and adjust to changing priorities. The SAP 2017–18 was developed after extensive consultation with senior executives. During 2017–18, 21 SAP activities, relating to the Department's enterprise risks and capabilities were completed.

Recommendations from all assurance activities delivered through the SAP are tracked and monitored by the Department's Audit Committee, supported by the Chief Audit Executive.

Risk management

Following the establishment of the Department of Home Affairs, the Department commenced a review of its risk management system and related arrangements. Throughout 2017–18, the Department worked with key stakeholders to undertake this review of the risk management arrangements and ensure that the full functions across the Department of Home Affairs are reflected in an updated risk framework. As part of this update, the Department has developed a new set of strategic risks and enterprise risks that fully reflect the functions of the Department of Home Affairs. These risks have been endorsed by the Accountable Authority and senior executive governance committees. The Department's updated Risk Management Policy is now being embedded into risk management practices across the organisation.

Fraud control and anti-corruption measures

The Department has developed the Home Affairs Fraud and Corruption Control Plan that outlines its commitment to managing fraud and corruption effectively.

The plan meets the Department's accountabilities for compliance against the Commonwealth Fraud Control Framework 2017, including section 10 of the Public Governance, Performance and Accountability Rule 2014, the Commonwealth Fraud Control Policy, and Resource Management Guide No. 201 – Preventing, Detecting and Dealing with Fraud.

The Department has zero tolerance for fraud and corruption. It has appropriate strategies in place to manage fraud and corruption, taking all reasonable steps to prevent, detect and deal with fraud against the Department.

Accountability, integrity and ethical standards

Establishing and maintaining ethical standards

The Department considers a high degree of integrity among staff and contractors to be paramount to successfully delivering the outcomes for which it is responsible and to maintaining public confidence. To this end, in 2017-18 the Department continued to develop a professional, accountable and ethical workforce under the Integrity Framework and through the activities of the Integrity and Professional Standards (I&PS) Branch, including:

- » establishing Operation Arête in August 2017, a three year rolling plan to:
 - » enhance awareness of the integrity checks I&PS undertakes
 - » increase education to all staff and contractors about integrity expectations.
 - During the financial year:
 - 61 face-to-face integrity information sessions were completed
 - as at 30 June 2018, 84 per cent of staff had completed online integrity training
- » undertake extensive internal and external data analytics to uncover hard-to-detect corruption activity and inappropriate behaviour
- » assist managers and staff to manage less serious integrity issues at a local level.
- » integrating the Drug and Alcohol Management Program and Fraud Control and Anti-corruption Framework functions into I&PS to contribute to a centralised, strategic integrity capability.
- » establishing an agreement on 1 March 2018 between the Secretary and Law Enforcement Integrity Commissioner pursuant to section 17(1) of the Law Enforcement Integrity Commissioner Act 2006, detailing the kinds of matters that are significant corruption issues for the Department and the level of detail to be notified to the Australian Commission for Law Enforcement Integrity (ACLEI) in respect of these matters. The agreement allows the Department to quickly assess and investigate less serious matters, including:
 - » release of information where no known or suspected criminal entity is involved
 - » minor fraud or minor misuse of position
 - » any other instance of conduct, which, through consultation and agreement in writing with ACLEI, is properly regarded as not being a significant corruption issue.
- » continuing to build on existing relationships with ACLEI and other partner agencies to detect, investigate and deter corruption issues within the Department, including:
 - » mutually beneficial secondment arrangements
 - » increased joint agency operational and corruption investigations
 - » increased information-sharing across agencies.
- » expanded intelligence capability, using dedicated teams of analysts and technologists to strategically lead active targeting, analysis and referral of matters, as well as expediting the employment suitability clearance process.
- » strengthening its Special Investigations Unit to include specialist criminal investigators.

Notification requirements of section 19(e) of the Public Governance Performance and Accountability Act 2013

There are no matters to be reported.

Capability

Capability Reviews

The Department initiated one capability review in 2017–18.

A joint Department and ABF Capability Review was initiated in May 2018 to ensure that Home Affairs has fit-for-purpose capability management arrangements, particularly in relation to capabilities of national importance. Enterprise-scaled capability management is required to support reinvestment in the new capabilities needed to meet future security challenges.

When complete, the review will baseline the current state, identify gaps and identify options for improvement, across the Capability Lifecycle Management Model.

The review comprises three interconnected bodies of work being delivered concurrently:

- » capability baseline review
- » capability framework and development review
- » capability delivery and management (operation and sustainment) review.

The final reports for each body of work are expected at the end of 2018.

The capability roadmap

To reflect the establishment of the Home Affairs Portfolio the Government has commissioned a strategic capability review of the entire spectrum of domestic security and law enforcement functions. The reform and reinvestment roadmap taskforce was established within the Department and is working across the portfolio to ensure that an accurate picture of current and future capability needs is established. This roadmap will inform decision-making by the government about future capabilities and priorities for the portfolio.

External scrutiny

Judicial and administrative tribunal decisions

Notable decisions

One of the most significant judgements was *Plaintiff S195/2016 v Minister for Immigration and Border Protection & Ors* – High Court of Australia.

On 17 August 2017 the High Court delivered a unanimous judgment in favour of the Commonwealth in the matter of Plaintiff S195 of 2016.

Plaintiff S195, a male Iranian national, arrived in Australia as an illegal maritime arrival in July 2013. He was subsequently transferred from Australia to Papua New Guinea (PNG) on 26 August 2013 pursuant to regional processing arrangements.

Plaintiff S195, asserted that by reason of the Supreme Court of PNG decision in *Namah v Pato [2016]* (which held that the detention of transferees in PNG was unlawful under the Constitution of PNG), the Australian Government had no legal or executive power to conduct regional processing in PNG, including no power to have ever designated PNG as a regional processing country or to have entered into any agreements with the PNG Government for the conduct of regional processing.

The Court unanimously held that neither the legislative nor the executive power of the Commonwealth is constitutionally limited by any need to conform to the domestic law of another country (in this case the domestic law of PNG). Therefore, neither the lawfulness of the Commonwealth's past nor potential future regional processing activity in PNG was affected by the decision in *Namah*.

Civil litigation

Under the *Legal Services Directions 2017*, monetary claims can only be settled in accordance with legal principle and practice. Such a settlement requires the existence of at least a meaningful prospect of liability being established.

At 30 June 2018, departmental records indicate that there were 109 claims for compensation in the courts or with the Fair Work Commission.

Reports by external bodies

Reports from the Office of the Australian Information Commissioner

The Department continued to work closely with the Office of the Australian Information Commissioner (OAIC). The OAIC conducted two privacy assessments under the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014* over the course of 2017–18:

- » assessment of the Department's use of its powers under Schedule 5 to the Foreign Fighters Act in the context of SmartGate Access - yet to be finalised
- » assessment of the Department's use of its powers under Schedule 5 to the Foreign Fighters Act in the context of SmartGate IBM Security - yet to be finalised.

The OAIC undertook a further privacy assessment to examine the way that the Department manages passenger name record (PNR) data. The assessment was conducted under a MoU between the Department and the OAIC that provides funding for the OAIC to undertake annual privacy reviews of the Department's handling of PNR data. The assessment is yet to be finalised.

All finalised assessment reports, which include the Department's response to assessment recommendations, are publicly available on the OAIC website.²¹

The Department also responded to the OAIC's follow-up inquiries into the implementation of the recommendation(s) in the OAIC's reports into:

- » assessment of the Department's implementation of Schedule 5 to the Foreign Fighters Act (report published October 2016)
- » assessment of the Department's implementation of Schedule 6 to the Foreign Fighters Act (report published October 2016)
- » assessment of the Department's implementation of Schedule 7 to the Foreign Fighters Act (report published April 2016; follow-up published October 2017).

Reports from the Australian Human Rights Commission

The Australian Human Rights Commission (AHRC) can inquire into complaints of breaches of human rights and workplace discrimination under the *Australian Human Rights Commission Act 1986*. Six reports concerning the Department's activities were tabled in the Australian Parliament and subsequently published on the AHRC website²². This was a decrease from 10 reports tabled in 2016–17.

The reports were:

- » No. 122 AZ v Commonwealth
- » No. 120 DR and DS v Commonwealth
- » No. 119 Ms OR on behalf of Mr OS, Miss OP and Master OQ v Commonwealth
- » No. 118 Dr Judyth Watson on behalf of Nine Vietnamese men in immigration detention v Commonwealth
- » No. 117 Mr MB v Commonwealth
- » No. 116 Mr CR and Mr CS v Commonwealth

Reports from the Office of the Commonwealth Ombudsman

The Commonwealth Ombudsman released three investigation reports concerning the Department's activities in 2017–18:

- » Citizenship own motion investigation report
- » Investigation into the circumstances of the detention of Mr G
- » Investigation into delays in processing inbound containerised sea cargo.

21 <https://www.oaic.gov.au/privacy-law/assessments/>

22 www.humanrights.gov.au

The Commonwealth Ombudsman is required under the *Migration Act 1958* to report on the appropriateness of immigration detention arrangements for each person detained for more than two years. Each report is provided to the Minister for Immigration and Border Protection, along with a de-identified version that the Minister must table in the Australian Parliament.

These reports are publicly available at the Commonwealth Ombudsman's website²³.

Reports from the Office of the Auditor-General

The Auditor-General released five audit reports that examined the Department in 2017–18:

- » Mitigating insider threats through personnel security (cross-entity audit)
The purpose of this audit was to assess the effectiveness of the Australian Government's personnel security arrangements for mitigating insider threats.
- » The integration of Department of Immigration and Border Protection (DIBP) and the Australian Customs and Border Protection Service (ACBPS)
The objective of the audit was to examine the effectiveness of the integration of the Department of Immigration and Border Protection (DIBP) and the Australian Customs and Border Protection Service.
- » Efficiency through Contestability Programme (Department of Finance)
The purpose of this audit was to assess the effectiveness of the Efficiency through Contestability Programme in supporting entities to improve the efficient delivery of government functions.
- » Domestic Passenger Screening - Follow Up Audit
Examine the extent to which the Department of Infrastructure and Regional Development (passenger screening function now part of the Department of Home Affairs) has implemented recommendations from ANAO Report No.5 2016–17, Passenger Screening at Domestic Airports.
Confidentiality in Governance Contracts: Senate Order for Departmental and Entity Contracts (cross-entity audit) The purpose of this audit was to assess the appropriateness of the use and reporting of confidentiality provisions.
- » Cyber Resilience (cross-entity audit)
The objective of this audit was to assess the effectiveness of the management of cyber risks by the Department of Treasury, National Archives of Australia and Geoscience Australia. The Department was not involved in this audit until it was named in one recommendation regarding the Protective Security Policy Framework (PSPF) with Australian Signals Directorate and the Attorney-General's Department.

23 <http://www.ombudsman.gov.au/>

Child Protection Panel

On 16 December 2016, the Department released a public version of the Child Protection Panel's report *Making Children Safer: The wellbeing and protection of children in immigration detention and regional processing centres*. The report made 17 formal recommendations that the Department accepted fully, partially or in principle.

The Panel reconvened in October 2017 to review the Department's progress in implementing the recommendations, including key measures such as development of a child safeguarding framework. In December 2017 the Panel provided its review report to the Department, noting a positive cultural change in how the Department engages with children and their families as part of its portfolio responsibilities. The review report did not make any further recommendations, and included the Panel's observations about progress on the original recommendations and an acknowledgement of the Department's ongoing work in protecting children.

Royal Commission into Institutional Response to Child Sexual Abuse

Royal Commission into Institutional Response to Child Sexual Abuse The Royal Commission delivered its final report on 5 December 2017. It contained 409 recommendations, 77 of which the Home Affairs Portfolio is the Commonwealth lead. Consistent with the Government's response to the Royal Commission, the Department will implement recommendations relevant to the Home Affairs Portfolio arising from the Royal Commission's Final Report, the Redress and Civil Litigation Report, the Working with Children Checks Report and the Criminal Justice Report. On 9 February 2018, the former Prime Minister Malcolm Turnbull announced that a National Redress Scheme would be established to offer survivors of institutional child sexual abuse access to psychological counselling, provision of a direct personal response and/or a monetary payment.

Survivors of abuse have been able to apply for redress from 1 July 2018. A dedicated taskforce has been created within the Health Services Policy and Child Wellbeing Division to process requests for information to help the Department of Social Services and Department of Human Services counterparts make determinations regarding applicant eligibility, and to deliver specific redress outcomes to eligible applications. The redress scheme will operate for 10 years.

Reports from parliamentary committees

The Parliament of Australia may refer bills, policies or issues affecting the wider community to a parliamentary committee of inquiry. The table below outlines parliamentary committee reports released during the reportable period when the Department was the lead agency.

Table 10 – Joint Standing Committees 1 July 2017 – 30 June 2018

Committee	Report	Date Tabled
Joint Committee on Law Enforcement	<i>Inquiry into human trafficking</i>	18 July 2017
Joint Standing Committee on Foreign Affairs, Defence and Trade	<i>Interim report of the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into establishing a Modern Slavery Act in Australia</i>	7 December 2017
Joint Committee on Law Enforcement	<i>Inquiry into crystal methamphetamine (ice) - First Report</i>	6 September 2017
Parliamentary Joint Committee on Intelligence and Security	<i>Review of the declaration of Jabhat al-Nusra as a terrorist organisation under the Australian Citizenship Act 2007</i>	16 October 2017
Parliamentary Joint Committee on Intelligence and Security	<i>Review of the re-listing of Boko Haram and Islamic State as terrorist organisations under the Criminal Code</i>	16 October 2017
Joint Committee on Foreign Affairs, Defence and Trade	<i>Interim Report: Legal Foundations of Religious Freedom in Australia</i>	4 December 2017
Joint Standing Committee on Public Account and Audit	<i>Report 467: Cybersecurity Compliance</i>	25 October 2017
Parliamentary Joint Committee on Intelligence and Security	<i>Interim Report: Legal Foundations of Religious Freedom in Australia</i>	5 December 2017
Parliamentary Joint Committee Report	<i>13 of 2017</i>	5 December 2017
Joint Standing Committee on Foreign Affairs, Defence and Trade	<i>Hidden in Plain Sight</i>	7 December 2017
Joint Standing Committee on Migration	<i>No one teaches you to become an Australian: Report of the inquiry into migrant settlement outcomes</i>	8 December 2017
Parliamentary Joint Committee on Intelligence and Security	<i>Review of the 'declared area' provisions</i>	1 February 2018
Parliamentary Joint Standing Committee on Intelligence and Security	<i>Review of the listing of Islamic State Khorasan Province and the re-listing of al-Murabitun as terrorist organisations under the Criminal Code</i>	8 February 2018
Parliamentary Joint Committee on Intelligence and Security	<i>Final report: Inquiry into crystal methamphetamine (ice)</i>	27 March 2018
Joint Committee on Law Enforcement	<i>Examination of the annual report 2015-2016</i>	28 March 2018

Committee	Report	Date Tabled
Parliamentary Joint Committee on Law Enforcement	<i>Final report: Inquiry into crystal methamphetamine (ice)</i>	28 March 2018
Parliamentary Joint Committee on Intelligence and Security	<i>ASIO's questioning and detention powers: Review of the operation, effectiveness and implications of Division 3 of Part III of the Australian Security Intelligence Organisation Act 1979</i>	10 May 2018
Parliamentary Joint Committee on Intelligence and Security	<i>Advisory report on the Counter-Terrorism Legislation Amendment Bill (No. 1) 2018</i>	7 June 2018
Parliamentary Joint Committee on Intelligence and Security	<i>Review of the re-listing of Islamic Movement of Uzbekistan, Jaish-e-Mohammad and Lashkar-e Jhangvi as terrorist organisations under the Criminal Code</i>	20 June 2018
Parliamentary Joint Committee on Intelligence and Security	<i>Review of the re-declaration of Mosul District, Ninewa Province, Iraq</i>	20 June 2018
Parliamentary Joint Committee on Intelligence and Security	<i>Review of the listing of Islamic State Khorasan Province and the re-listing of al-Murabitun as terrorist organisations under the Criminal Code</i>	8 February 2018
Law Enforcement, Joint Statutory	<i>An inquiry into human trafficking, slavery and slavery-like practices</i>	8 August 2017

Table 11 – Senate Committees 1 July 2017 – 30 June 2018

Committee	Report	Date Tabled
Senate Rural and Regional Affairs and Transport References Committee	<i>Increasing use of so-called Flag of Convenience shipping in Australia</i>	8 August 2017
Strengthening Multiculturalism, Select	<i>Final report: Ways of protecting and strengthening Australia's multiculturalism and social inclusion</i>	17 August 2017
Senate Legal and Constitutional Affairs Legislation Committee	<i>Australian Citizenship Legislation Amendment (Strengthening the Requirements for Australian Citizenship and Other Measures) Bill 2017</i>	5 September 2017
Senate Legal and Constitutional Affairs Legislation Committee	<i>Australian Border Force Amendment (Protected Information) Bill 2017</i>	12 September 2017
Economics, Legislation	<i>Customs Amendment (Anti-Dumping Measures) Bill 2017</i>	6 October 2017
Senate Legal and Constitutional Affairs Legislation Committee	<i>Migration Amendment (Regulation of Migration Agents) Bill 2017 and Migration Agents Registration Application Charge Amendment (Rates of Charge) Bill 2017</i>	16 October 2017

Committee	Report	Date Tabled
Senate Legal and Constitutional Affairs Legislation Committee	<i>Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2017</i>	16 October 2017
Senate Legal and Constitutional Affairs Legislation Committee	<i>Crimes Legislation Amendment (Sexual Crimes Against Children and Community Protection Measures) Bill 2017</i>	16 October 2017
Senate Legal and Constitutional Affairs Legislation Committee	<i>Migration Agents Registration Application Charge Amendment (Rates of Charge) Bill 2017 [Provisions]</i>	16 October 2017
Senate Legal and Constitutional Affairs Legislation Committee	<i>Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2017 [Provisions]</i>	16 October 2017
Senate Standing Committee for the Scrutiny of Bills	<i>Scrutiny Digest 13 of 2017</i>	15 November 2017
Senate Legal and Constitutional Affairs Legislation Committee	<i>Migration Amendment (Prohibiting Items in Immigration Detention Facilities) Bill 2017</i>	16 November 2017
Senate Education and Employment Legislation Committee	<i>Migration Amendment (Skilling Australians Fund) Bill 2017 and the Migration (Skilling Australians Fund) Charges Bill 2017</i>	1 February 2018
Senate Legal and Constitutional Affairs Legislation Committee	<i>Migration Amendment (Skilling Australians Fund) Bill 2017 and Migration (Skilling Australians Fund) Charges Bill 2017</i>	12 February 2018
Senate Legal and Constitutional Affairs Legislation Committee	<i>Migration and Other Legislation Amendment (Enhanced Integrity) Bill 2017</i>	20 March 2018
Legal and Constitutional Affairs References Committee	<i>Adequacy of existing offences in the Commonwealth Criminal Code and of state and territory criminal laws to capture cyberbullying</i>	28 March 2018
Senate Standing Committee of Privileges	<i>168th report— Implications for the use of intrusive powers by law enforcement and intelligence agencies on the privileges and immunities of members of Parliament</i>	28 March 2018
Legal and Constitutional Affairs Legislation Committee	<i>Crimes Legislation Amendment (Combating Corporate Crime) Bill 2017</i>	20 April 2018
Legal and Constitutional Affairs Legislation Committee	<i>Migration Amendment (Clarification of Jurisdiction) Bill 2018</i>	5 June 2018

Complaints

Commonwealth Ombudsman

The Department received 280 complaints from the Commonwealth Ombudsman in 2017–18, a decrease of 25.53 per cent on the previous year.

A total of 308 complaints were finalised during 2017–18.

Australian Human Rights Commission

The Department received 50 complaints from the Australian Human Rights Commission in 2017–18, a decrease 28.57 per cent of per cent on the previous year.

A total of 82 complaints were finalised during 2017–18.

Office of the Australian Information Commissioner

The Department received nine privacy complaints from the OAIC in 2017–18. All matters were resolved during the period.

Freedom of information

In 2017–18 the Department received 14,663 Freedom of Information (FOI) requests, including amendment requests, compared with 19,267 requests in 2016–17. This was a 24 per cent decrease on the previous year. Of the FOI requests received, 14,025 were for personal information and 638 for non-personal information.

The Department finalised 16,682 FOI requests. Of these 16,183 were access requests and 499 were amendment requests. Of the access requests:

- » 8,464 cases were granted full access
- » 5,791 cases were granted part access
- » 970 cases were refused access²⁴
- » 958 cases were either invalid, transferred to other agencies or the applicants withdrew their requests before a decision on access was made.

The Department's FOI compliance rate (requests finalised within statutory timeframes) for 2017–18 was 86.5 per cent. At 30 June 2018, the Department had 122 overdue requests on hand.

24 This figure includes “access refusal decisions” in accordance with the meaning given by [section 53A](#) of the *Freedom of Information Act 1982*.

Client service

The client experience

The Department has a number of client service channels that provide clients with information on different streams of work such as trade, travel, migration and visas.

The client experience

The Department undertakes client-focused research to improve the design and delivery of its immigration services. It continues to develop its user-centred design capabilities to provide a seamless experience for people engaging with the Department.

During 2017–18, the Department's research included in-depth interviews and workshops to understand our clients' experience and expectations. The Department also conducted several rounds of usability testing of its revised visa-product web pages that have been designed to better answer client queries and provide information in a clear and simple way. The Department undertook ethnographic research to improve its correspondence to make information clearer for clients and to help them better understand how to meet the Department's requirements.

The Department obtains regular feedback from clients. The citizenship appointment booking service, currently available in Melbourne, has consistently received user satisfaction scores of 95 per cent and above. Post-appointment surveys also provide useful insights to improve the service to meet user needs. This information is regularly published on the Digital Transformation Agency's performance dashboard.

Channel Strategy 2017–20

The Department released its internal Channel Strategy 2017–20 in November 2017 to guide improvements to our client service channels-changing the way we do business and transforming the way clients interact with us.

The strategy sets the vision for the Department of Home Affairs for seamless service delivery interactions across channels (phone, in-person, paper and digital), and how we will deliver high quality consistent, cross-channel experiences that use technology and digital media to deliver services.

We are working to improve our ability to deliver services to an increasing number of clients. This is in line with the whole-of-government Digital Transformation Agenda, which ensures all government services are delivered in a simple, clear and easy-to-use manner that is designed around clients needs.

Digital services

ImmiAccount remains the Department's 'front door' for public access to a range of digital and online services. Individuals and businesses are able to access services and tools that enable them to lodge, track, manage and pay for a wide range of visa and citizenship applications online. It also provides access to the Visa Entitlement Verification Online (VEVO) service. ImmiAccount allows users to pay online for applications lodged via paper or for an ImmiCard and to apply for Australian Trusted Trader status.

ImmiAccount simplifies access to our services, enabling high-volume digital self-service and reducing the need for clients to phone the Department or visit in-person. Since it was launched in 2014, more than 7.94 million accounts have been created, comprising over 7.86 million private accounts and more than 77,000 organisation accounts²⁵.

In support of the Digital Transformation Agenda and in response to user feedback, the Department introduced a number of new services and improvements throughout 2017–18. Online visa and citizenship application forms have been made mobile-responsive, enabling clients to complete their applications using a range of devices and technology. People who wish to visit an immigration detainee can now submit their visit request online rather than by email or on paper at a detention facility. Online payment options have been expanded with the inclusion of China UnionPay to cater for the growing visitor and student visa caseloads.

Online lodgement of visa and citizenship applications continues to grow, with changes including enhancements to online lodgment for Visitor (subclass 600) visas and its expansion to Indonesian passport holders, and an additional pathway for New Zealand citizens to apply for Australian permanent residence. Skilled visa reforms have been implemented including changes to deliver the new Temporary Skill Shortage (TSS) (subclass 482) visa and updates to related permanent skilled visa form lodgment.

Push notifications to clients continued to be expanded, with visa cessation reminders now sent to holders of visitor (subclass 651) visas and new post-visa-expiry notices introduced for Visitor (subclass 600) visa holders who remain in Australia after their visa has expired. Push messaging also saw the implementation of new functionality consisting of standard business sponsorship expiry reminder emails, employment cessation reminder emails and travel expiry reminder emails.

New features within ImmiAccount include improved processes for clients to upload documents in support of their application and to identify the next action required in the application process. Processing times are now also visible through ImmiAccount, supporting clients by providing an indication of the time it will take to process their application. These new features continue to reduce enquiries to the Department.

Correspondence with clients has also been enhanced and simplified. These changes were implemented for application acknowledgements, Bridging Visa A and visa grant notifications. Additional correspondence is also being sent to partner visa applicants to reassure them of progress on their applications and to remind them when further action is required.

ImmiAccount will continue to be enhanced to meet clients' growing needs and expectations.

The Department's website provides the public with access to a range of information and digital services.

Work is underway to improve the Department's website navigation, structure, language and design to make information easier to find and understand.

25 As at 30 June 2018.

The Department undertook extensive user-experience research with clients and key stakeholders over a six-month period to understand the context in which they use the website and to deepen understanding of their needs and expectations. The Department:

- » listened to and transcribed over 1000 calls to our call centres
- » surveyed more than 35,000 clients around the world
- » conducted more than 40 in-depth interviews and held four focus groups
- » conducted more than 160 research sessions at counters
- » held 18 workshops with staff
- » held close to 100 usability testing sessions with clients.

In redesigning the website, the Department is implementing the Digital Transformation Agency's Digital Service Standard, which ensures that government agencies build services that are simple, clear and fast.

The new website is anticipated to go live in November 2018, following a public beta release in July 2018.

Translating and interpreting services

Translating and Interpreting Service (TIS National) provides high quality, cost-effective and secure language services for the Department. It helps non-English speakers to communicate effectively with government departments and agencies, healthcare service providers, police and emergency services, utilities, banks, other organisations and businesses.

In 2017–18, TIS National provided 983,763 phone interpreting services and 118,166 on-site services through 3,141 independently contracted interpreters.

In 2017, TIS National introduced a supplementary staffing arrangement that reduced telephone waiting times and significantly reduced the number of abandoned calls. TIS is now able to meet its service standards for immediate telephone interpreting services. Further, it has improved TIS National's ability to service priority callers – which include the 000 emergency services and national and border security operations – and to deliver departmental and broader Commonwealth program outcomes.

The Department's continuous improvement policy and technology investments underpinned TIS National's innovation strategy and allowed the service to further develop TIS Online. TIS National introduced further enhancements to the Automated Telephone Interpreting Service (ATIS), which allows clients to request telephone interpreting services without having to speak to an operator. The use of services through the ATIS channel continued to grow during the reporting period, providing clients with faster, more cost-effective and secure interpreting services.

TIS National continued to improve its video channel, which uses video technology to offer cost-effective and flexible service to clients. The initial stages of TIS Video implementation led to cost savings and increased efficiency, particularly in processing refugee and humanitarian visas. TIS National is working on expanding this service to include more client groups.

Service standards

The Translating and Interpreting Service (TIS National) improved its immediate telephone service standard in 2017–18. In this period, 68 per cent of calls were answered within 30 seconds, a three per cent increase from the previous financial year. For the same period, 98 per cent of all on-site bookings were assigned within three days of receipt, a three per cent²⁶ increase from the previous financial year. The high percentage can be attributed to the self-service capability of TIS National's on-site bookings platform, TIS Online.

In 2017–18, 98.56 per cent of all TIS National calls were assigned to an interpreter within three minutes. TIS National continued to supply accredited interpreters for 94.02 per cent of all jobs being performed by a National Accreditation Authority for Translators and Interpreters (NAATI) credentialed interpreter. This is attributable to TIS National's continued targeted recruitment activities throughout the period.

Important call centre metrics include average handle time (AHT), average speed to answer (ASA) and calls per open hour (CPOH). The table below shows that the TIS National call centre's performance has improved on most metrics.

Table 12 – TIS National Call centre performance

FY	Call type	Calls offered	Calls accepted	CPOH (calls per open hour)	AHT (average handle time) mm:ss	ASA (Average speed to answer) mm:ss	GOS ²⁷ (grade of service)
2017–18	Emergency calls (ie. 000)	19,749	19,591	n/a	1:47	00:09	96%
	All other calls	1,220,056	1,104,759	8.6	3:34	00:55	68%
2016–17	Emergency calls (ie. 000)	21,645	21,403	N/n/a	1:44	00:10	95%
	All other calls	1,793,051	1,212,263	8.4	6:36	01:52	65%

26 Rounded to the nearest percentage.

27 Percentage of calls answered within a specific timeframe.

Service delivery partners (SDPs)

The Department has service delivery arrangements with overseas companies to provide visa lodgement support services.

At 30 June 2018, the Department had four commercial partners operating Australian Visa Application Centres in 51 countries. They are:

- » VF Worldwide Holdings Ltd
- » TT Visa Services Ltd
- » Teleperformance Limited
- » CSRA LLC.

SDPs provide administrative tasks, including:

- » information services (for example, pre-lodgement enquiries)
- » visa lodgement (including a quality assurance completeness check)
- » visa fee payment
- » biometric enrolment
- » data input
- » courier services.

SDP staff do not make visa decisions. Applications are provided to the Department for processing. SDPs operate on a user-pays basis, with visa applicants paying for the cost of the service.

Purchaser-provider arrangements

The Department has arrangements with the Department of Foreign Affairs and Trade (DFAT) and the Australian Trade and Investment Commission (Austrade) to provide management services at overseas posts.

The service level agreements (SLAs) remove the potential for duplicated administrative services and help to ensure the efficient, whole-of-government use of resources overseas. SLAs cover management services, agency responsibilities, performance indicators and cost-recovery arrangements. Management services include personnel, office, property and financial services.

Renegotiated three-year SLAs with both DFAT and Austrade are in place covering the period 1 July 2017 to 30 June 2020.

The Department pays DFAT and Austrade global service fees, calculated annually. They are based on:

- » DFAT and Austrade staff costs for staff in Australia (DFAT only) and locally engaged staff overseas to deliver management services
- » the number of Home Affairs Australia-based or locally engaged staff receiving these services.

The Department's total 2017–18 SLA costs were \$7,421,246 (DFAT) and \$980,022 (Austrade).

Sydney Service Centre

The work of the Sydney Service Centre predominantly relates to visa and citizenship application enquiries, with a smaller proportion related to customs and trade. The centre responded to 829,056 telephone enquiries in 2017–18²⁸.

The Government announced in the 2017–18 Budget that the Department would consolidate its three call centres in London, Ottawa and Sydney into one centre onshore in Australia to provide a more efficient service and reduce waiting time for clients. The Government announced it would engage a specialist call centre provider to deliver those services.

On 10 January 2018, the Department announced Datacom Connect Pty Ltd as the successful tenderer to deliver the Department's call centre operations. A gradual transfer of call centre operations to Datacom began in March 2018 to allow knowledge transfer and technical issues to be identified and addressed in a lower volume and lower risk environment. On 30 June 2018, the Department achieved the Government's 2017 Budget commitment to fully outsource the Department's three service centres to deliver a better service to clients.

In-person services

As the Department continues to improve digital services, it will be possible for people to go online for a number of transactions that were previously undertaken in person. This will reduce cost and time for individuals, businesses and government.

The Department continues to make considerable progress in encouraging self-service through digital channels for visa, customs and trade functions, and is progressively moving to an appointment-only operating model. This supports the Department's Channel Strategy 2017–20 aim of having high-cost in-person services reserved for individuals and businesses where the Department needs to meet them personally.

A step in delivering the appointment-only model has been the development of the appointment booking system, which enables clients to reschedule their appointments online without having to talk to a departmental officer. The service was piloted in Melbourne in 2016, for citizenship appointments and was extended to other departmental offices in 2017–18. The service will be expanded to other business lines within the Department during 2018–19.

28 This figure increases to 1,060,515 when including calls handled by the specialist call centre provider during the initial stage of transition.

Human resource management

Workforce profile

At 30 June 2018 the Department's workforce consisted of:

- » 13,566 ongoing and 850 non-ongoing staff, located in every state and territory and in 62 locations around the world.
- » 81.86 per cent of staff working full-time, 13.55 per cent part-time and 4.59 per cent casual
- » 53.66 per cent of staff were female and 46.34 per cent male
- » The average age of the workforce was 43.

In addition, 1,143 locally engaged staff were employed by DFAT on behalf of the Department in international locations.

For 2017–18, the voluntary separation rate of ongoing staff was 7.16 per cent and the external recruitment rate was 4.70 per cent.

Table 13 shows the staffing headcount by actual classification. Figure 11 shows the Senior Executive Service (SES) headcount by gender. Figure 12 shows the staffing headcount by location.

Table 13 – Staffing headcount by actual classification 30 June 2018²⁹

Actual classification	Department of Home Affairs			Australian Border Force			Total
	Ongoing	Non-ongoing	Total	Ongoing	Non-ongoing	Total	
Graduate/Trainee/Cadet	68	-	68	40	-	40	108
APS Level 1	5	-	5	4	-	4	9
APS Level 2	25	3	28	151	636	787	815
APS Level 3	526	73	599	1837	13	1850	2449
APS Level 4	1285	46	1331	515	3	518	1849
APS Level 5	1477	11	1488	1303	4	1307	2795
APS Level 6	2115	26	2141	856	3	859	3000
Executive Level 1	1847	22	1869	453	1	454	2323
Executive Level 2	694	7	701	153	1	154	855
SES Band 1	122	-	122	31	-	31	153
SES Band 2	38	-	38	10	-	10	48
SES Band 3	8	1	9	2	1	3	12
Total	8210	188	8399	5356	661	6017	14416

²⁹ Figures are actual classification and figures include staff acting at different classifications at 30 June 2018. Figures include staff on leave. Figures exclude the Secretary and ABF Commissioner, locally engaged staff and staff on secondment.

Figure 11 – Senior Executive Service headcount by gender³⁰

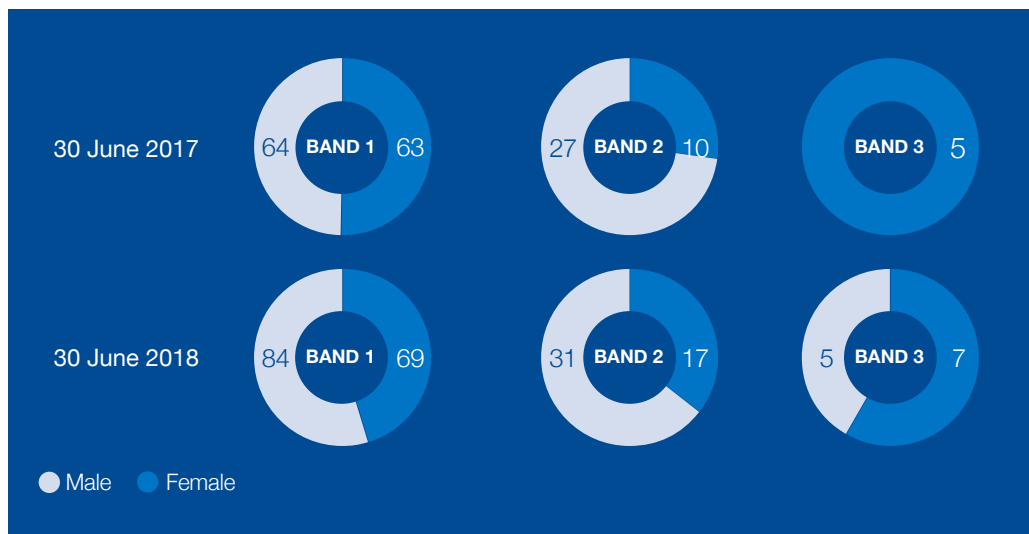
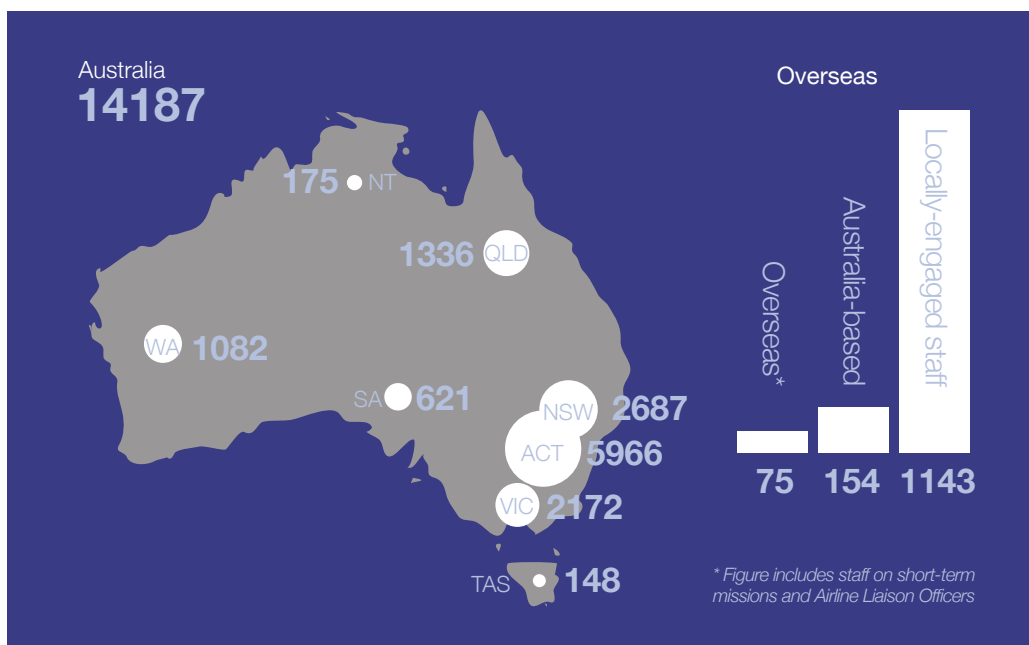


Figure 12 – Staffing headcount by location



30 Figures are actual classification and figures include staff acting at different classifications at 30 June 2018. Figures include staff on leave. Figures exclude the Secretary and ABF Commissioner, locally engaged staff and staff on secondment.

Workforce planning

During 2017–18 the Department continued to mature its workforce planning processes by helping each division to interpret workforce issues and implement short, medium and long-term initiatives to manage identified workforce impacts and risks. This was complemented by the people business partner model that developed compacts between the People Division and each group, outlining the agreed workforce initiatives for the next 12 to 18 months.

With the creation of the new Department of Home Affairs, the importance of workforce planning has increased as part of overall business planning, reflected in collaboration across business areas to plan for the impact of reform and business transformation. The Department assessed the expanded functions in the Portfolio, defining new job roles and capabilities that will complement existing frameworks and enable more comprehensive workforce planning across the organisation.

The Department is also improving the workforce planning capability of business areas by establishing standards for developing tools and templates, and providing access to coaching and advice.

People management and development

Overall assessment

The establishment of the Department of Home Affairs in December 2017 created an organisation with a broader policy, strategic and coordination focus than its predecessor. To ensure that all staff can contribute to the expanded mission and respond to technological advances and new ways of working, the Department has continued to invest in workforce planning, learning and development, leadership skills and the professionalisation of its workforce.

Each agency in the Home Affairs Portfolio has its own people strategies or similar systems and strengths. The Department is working with the portfolio agencies to share the best of these approaches to create an aggregated suite of people strategies, behaviours and practices that all agencies can access.

Key initiatives in 2017–18 included:

- » comprehensive suite of leadership programs for Executive Level (EL) employees
- » new training options for managers on engaging teams, and a tutorial on tackling underperformance
- » simplified and streamlined performance development agreement form and end-cycle process
- » creation of integrated jobs role profiles to support recruitment, performance and development
- » dashboard technology giving managers easier access to data on unscheduled absence and other workforce metrics
- » individual capability assessments for Senior Executive Service (SES) and EL employees and a selection of APS6 employees
- » talent management advisory committees to manage the development of EL and SES employees
- » strengthening work health and safety training, procedures and reporting
- » Operation Arête which introduces values-based integrity measures to build a positive integrity culture and reaffirm the accountabilities and responsibilities of staff and contractors in performing their duties
- » a new HR operating model for human resource functions, improving service delivery and business focus.

People strategy

The People Strategy 2020, implemented in March 2016, is the Department's vision for managing and developing its people. It is focused on strong leadership, shared values and culture, and a professional workforce. Significant progress was made on all of the strategy's 38 initiatives during 2017–18.

The creation of the Department of Home Affairs in December 2017 broadened the policy focus and introduced structural change. While much of the People Strategy 2020 may remain relevant, the Department has begun a review to expand its view of the people challenges and opportunities across the new Portfolio. This includes using opportunities to share best practice between entities and support development and career pathways for employees in the Portfolio.

Talent management

The Department's integrated talent management framework articulates how it will ensure that we attract, retain and engage the best talent to achieve our strategic objectives.

The talent management framework is underpinned by a people capability framework, a leadership scheme and a career management toolkit that together provide the guidance, tools and resources to support workforce performance, provide opportunities to enhance career growth and increase staff engagement.

The talent management advisory committee operates at both group and divisional levels to ensure a consistent approach to talent management across the Department.

During the year, the Department invested in leadership capability by applying individual capability assessments for all EL level employees, and extended this initiative to a selection of APS6 employees.

Individual capability assessments evaluate employees against the Department's leadership capabilities and allow EL staff to understand their strengths, potential, and areas for development. This helps them to make better-informed career decisions. The assessments also provides Talent Management Advisory Committees with information to identify critical talent and build a robust leadership pipeline.

The Department is collaborating with other portfolio agencies to share best practice talent management options and provide access to information across Home Affairs entities.

Training and development

The Department provides staff with training in a range of public service core skills. Some training is relevant to all staff while other training is only relevant to a role or a classification level. All new staff are required to attend a face-to-face induction course. This has been redesigned and is delivered over one day, a reduction in the 2.5 days of training previously given to new starters. The Department provides a catalogue of over 840 online learning courses. Approximately 130,000 online courses completions are recorded annually in the Department's Learning Management System.

Some of the new face-to-face offerings implemented during 2017–18 were:

- » Working Effectively at Level (APS5 to EL2)
- » Writing for Government (Introduction to Advanced)
- » Building Resilience: Self-awareness

- » Supporting Staff to be Resilient: Team-awareness
- » Occupation Resilience: Trauma
- » Occupation Resilience: Viewing Objectionable Material

The *Leadership Strategic Plan 2016–2020* articulates the Department's leadership philosophy and identifies the leadership desired. An evaluation of the strategic plan during 2017–2018 identified key initiatives to continue developing the Department's leadership capabilities. These initiatives have been implemented through formal training products and related developmental incentives and include a suite of leadership programs, opportunities to develop through exposure to networks, mentors and experiential learning gained from acting, secondments and solving challenges.

The Department invested in individual EL capability assessments to understand the abilities and skills of the EL cohort. In all, 87 per cent of the cohort was assessed. The results are used by the talent management advisory committee to determine succession planning and professional development.

The Department has continued to focus on building the workforce capability needed to meet its strategic priorities. This has included developing integrated job role profiles that define the competencies, skills, knowledge and attributes of roles across the Department. This enables the Department to better target recruitment while helping existing staff and managers to set clear performance and development goals to strengthen long-term workforce capability.

Leadership programs delivered during 2017–18 included:

- » the Leadership Development Experience series (Foundational, Strengthening and Mastering)
- » Coaching for Leadership workshops
- » executive coaching services
- » EL conferences
- » Leadership in Action seminars.

During 2017–18, 1860 staff took part in leadership programs.

Recanati-Kaplan Program for Intelligence Officers

A Department of Home Affairs staff member was selected to undertake a year-long research project at the Belfer Center for Science and International Affairs at the Harvard Kennedy School. It is the first time a Home Affairs staff member has been selected for the prestigious fellowship. The officer was the only person to be selected from Australia's intelligence community.

The scholarship educates the next generation of leaders in national and international intelligence and supports their research to develop policy-relevant knowledge for the most pressing security issues.

SES development strategy

The Department's investment in the continuous development of its senior leaders is critical to achieving its mission and vision. This effort is guided by the Department's Leadership Strategic Plan, which draws its core leadership principles from the APS Values, APS work level standards, the APS Integrated Leadership System and the Department's values and behaviours. The strategic plan recognises the importance of both individual and collective SES capabilities and accountabilities to ensure that the Department delivers its strategic goals effectively.

The Department's SES Talent Management Advisory Committee provides advice and strategic direction on developing the SES cohort. Its decisions are shaped by capability assessments undertaken by each SES member.

The Department offers a range of internal professional development options as well as targeted external development opportunities including secondments, executive coaching and development programs provided by organisations such as the Australian Public Service Commission (APSC), the Australian and New Zealand School of Government, the Australian Institute of Police Management and the National Security College.

Workforce diversity

The Department is committed to having a workforce that reflects the diversity of the community it serves, with people of different cultural background, race, ethnicity, disability, age, gender identity and sexual orientation represented.

To promote equality, diversity and inclusion in the workplace, the Department has a diversity framework informed by whole-of-Australian Public Service strategies. The Department's *Statement of Commitment* affirms its dedication to workplace equality, diversity and inclusion.

The Department's *Gender Equality Action Plan 2017-20 (GEAP)*, *Disability Action Plan 2016-20 (DAP)* and *Reconciliation Action Plan (RAP)*, define the goals and actions to build diversity. Each action plan is periodically assessed to measure progress.

Additional diversity action plans being drafted are a *Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) Action Plan*, and an *Intergenerational Action Plan (IAP)*.

The Department continues to have Diversity Champions at the SES Band 3 and SES Band 2 levels, supporting Indigenous Australian, disability and diversity networks and initiatives across the Department.

Disability reporting mechanisms

The Department has committed to be a workplace that actively welcomes, includes and develops people with disability.

In 2017–18 it continued to implement actions outlined in the *Disability Action Plan 2016–20*. Activities have focused on:

- » promoting the refreshed Focus on Ability network, for staff with disability, carers of those with disability, and those who support them
- » developing material to support the application of reasonable adjustments so that a person with a disability can reasonably contribute safely and productively
- » building managers' confidence in managing staff with disability through training, additional resources and factsheets

- » establishing an assistive technology hub, which enables staff to check the availability of an application, request a non-standard application, access support materials and request information about training and funding for reasonable adjustment.

In September 2017 the Department held its inaugural Five Plus Five—Focus on Ability event. These events provide a forum for SES and senior management to hear from staff with disability about their experiences in the Department and influence practical steps to continuously address barriers for employees with disability in our workplaces.

Targeted diversity recruitment

To increase the recruitment of Aboriginal and Torres Strait Islander peoples, the Department participated in the Department of Human Services' Indigenous Apprenticeships Program (IAP) with 14 apprentices joining the Department in 2017.

The Department is committed to developing Aboriginal and Torres Strait Islander staff by offering learning and development opportunities. In the period under review, these included opportunities to attend the Australian Indigenous Leadership Course, with nine staff attending the three-week course in Canberra. The Department also took part in the APSCs Indigenous Mentoring Program, which offers Indigenous staff opportunities to develop skills, share knowledge, form networks and work together towards future goals.

Days of Significance

The Department recognises and celebrates a number of key diversity and inclusion events, including NAIDOC Week, National Reconciliation Week, International Women's Day, Harmony Day, Wear It Purple Day, National Carers Week, White Ribbon Day and the International Day of People with Disability.

These events celebrate the diversity of the Department's workforce and community.

Enterprise Agreement

The Department of Immigration and Citizenship Enterprise Agreement 2011–2014 (EA) nominally expired on 30 June 2014.

On 5 October 2016, the Fair Work Commission (FWC) made an order under subsection 424(1) of the Fair Work Act 2009 terminating Protected Industrial Action (PIA) by departmental employees. The FWC found that the PIA was posing an unacceptable risk to the safety and security of the Australian community. The FWC must now make an industrial action related Workplace Determination (WD) in accordance with section 266 of the Fair Work Act 2009. This replaces bargaining for an EA. Terms and conditions will be set out in a WD issued by the FWC, rather than an EA voted on by employees. Once in place, the WD will apply to all of the Department's non-SES employees.

The Full Bench of the FWC convened for the arbitration process. The parties to the matter include the Department, the Community and Public Service Union (CPSU), the Australian Institute of Marine and Power Engineers (AIMPE) and individual bargaining representatives.

Hearings for the substantive matter began on 16 October 2017 and concluded on 19 December 2017, followed by oral closing submissions on 16 and 17 April 2018. The FWC reserved its decision and during closing submissions, indicated that it would take some time to make its decision.

On 8 June 2018 the FWC released a statement outlining a range of remuneration components and employment conditions it intends to include in the WD when it is handed down, including a wage increase

of 4 per cent, effective from 8 June 2018, and a further 3 per cent wage increase effective 12 months from the date of commencement of the WD.

On 15 June 2018 the Secretary of the Department of Home Affairs signed a determination made under section 24 of the Public Service Act 1999 (PS Act) giving effect to the 4 per cent wage increase outlined by the FWC, effective 8 June 2018.

Until the WD takes effect, the existing *Department of Immigration and Citizenship Enterprise Agreement 2011–2014* and determinations made under section 24 of the PS Act will apply to non-SES staff.

Salary ranges

Table 14 shows the Department's salary range by classification level. Classifications such as Medical Officers, Public Affairs Officers and Legal Officers have been reported under the relevant APS classification in accordance with the Public Service Classification Rules 2000. While most employees receive a salary that is set by the EA, there are exceptions where higher salaries have been paid as a result of the machinery-of-government changes whereby employees of previous Departments were on higher salaries before their move to the Department of Home Affairs. Also, Individual flexibility arrangements have been used where, to attract and retain specialist skills sets, it has been necessary for the Department to pay remuneration above what is available under the EA salary range. This is reflected in the below salary ranges.

Appendix D in this report provides a breakdown of salary ranges within each level as prescribed by the EA.

The salary ranges of the Secretary and the ABF Commissioner are not included. As statutory appointments, their remuneration arrangements are set by the Remuneration Tribunal and are available on its website³¹.

Table 14 – Salary ranges for staff at 30 June 2018

Classification	Range of salaries
Cadets	\$26,469 - \$26,469
ICT Apprentices	\$44,116 - \$45,578
Trainee	\$44,116 - \$44,580
APS Level 1	\$44,116 - \$48,884
APS Level 2	\$49,321 - \$55,487
APS Level 3	\$55,252 - \$68,534
APS Level 4	\$62,870 - \$73,443
APS Level 5	\$69,318 - \$83,722
APS Level 6	\$76,408 - \$105,081
Executive Level 1	\$92,878 - \$134,059
Executive Level 2	\$114,357 - \$190,000
SES Band 1	\$168,859 - \$253,446
SES Band 2/SES Band 3	\$258,578 - \$409,071

³¹ <http://www.remtribunal.gov.au/5>

SES remuneration

All SES employees are required to have a comprehensive determination under subsection 24(1) of the Public Service Act 1999, which outlines their conditions of employment. SES remuneration is outlined in the SES Remuneration and Performance Management supporting document to the Determination, which provides an efficient, transparent and effective way of administering SES remuneration and managing performance.

Individual flexibility arrangements and workplace agreements

Table 15 shows the number of departmental employees on individual subsection 24(1) determinations or IFAs as at 30 June 2018.

Table 15 – Determinations and IFAs

Classification	Employees on s.24(1)	Employees on IFAs	Total
APS 3	0	12	12
APS 4	0	14	14
APS 5	0	103	103
APS 6	0	150	150
EL 1	0	153	153
EL 2	2	90	92
SES ³²	152	N/A	152
Total	154	522	676

Determinations

On 25 June 2015 a determination under subsection 24(3) of the PS Act was made by the Hon. Christian Porter MP, then Parliamentary Secretary to the Prime Minister, in relation to all non-SES seagoing Marine Unit employees in the Department from 1 July 2015. The subsection 24(3) determination preserved for these staff all terms and conditions of employment contained in the *ACBPS Enterprise Agreement 2011–2014*. At 30 June 2018, 530 non-SES staff were covered under the determination. This transitional arrangement enables the Marine Unit to operate effectively until the new workplace determination for the integrated Department is in place.

On 26 June 2015, the Secretary of the Department, made DIBP Determination 2015/01 under subsection 24(1) of the PS Act in relation to all non-SES ACBPS staff who were moved to the Department on 1 July 2015. This determination preserved certain conditions from the *ACBPS Enterprise Agreement 2011–2014*, such as working hours and specific allowances and benefits, to ensure uninterrupted operations during the transition to the integrated Department. At 30 June 2018, 4,027 non-SES staff were covered under this determination.

³² only substantive SES have a section 24(1) determination.

To further support the Department's operations, DIBP Determination 2015/02 was made in relation to all non-SES staff employed as ABF recruits after 1 July 2015. This determination allocated a classification of Trainee APS (Technical) to ABF recruits. This determination remains valid for ABF recruits engaged as part of recruitment campaigns advertised before to 30 June 2017. Thirty-four staff were covered under this determination.

This determination was replaced by DIBP Determination 2017/02—Entry Level Programs that establishes broadband arrangements for a number of the Department's entry-level programs. At 30 June 2018, the number of staff covered by this determination was:

- » ABF recruits – 57 staff
- » ICT apprentices – 11 staff
- » Indigenous apprentices – 12 staff
- » Marine Unit engineer cadets – 12 staff

A further three subsection 24(1) determinations were made to support the subsection 24(3) determination for non-SES Marine Unit employees:

- » DIBP Determination 2015/04 Marine Cooks. This determination allocates the APS 4 classification and provides the relevant APS 4 salary range for marine cooks. At 30 June 2018, this determination covered 19 non-SES staff.
- » DIBP Determination 2016/01 Marine Communication and Technical Officers. This determination allocates the APS 4 classification and provides the relevant APS 4 salary ranges for marine communication and technical officers. At 30 June 2018, this determination covered 18 non-SES staff.
- » DIBP Determination 2017/01 Marine Unit Engineers Attraction and Retention Payment–Ocean Shield. This determination provides an attraction and retention payment to Marine Unit engineers on the ABF cutter Ocean Shield. At 30 June 2018, this determination covered 13 non-SES staff.

The above determinations are transitional arrangements that, unless revoked earlier, will apply until the new WD for the integrated Department is in place.

On 13 December 2017, a determination made under subsection 24(3) of the PS Act, preserved until 8 February 2018 terms and conditions of employment under their previous enterprise agreements for 756 non-SES employees moving to the new Department of Home Affairs from the following agencies:

- » Attorney-General's Department (AGD)
- » Department of Infrastructure and Regional Development
- » Department of Prime Minister and Cabinet
- » Department of Social Services

This determination ensured the smooth transition of employee's pay arrangements to the new Department. This determination also retained a salary increase provided by the Attorney-General's Department Enterprise Agreement 2016 with effect on 7 February 2018. At 30 June 2018, 411 former AGD staff were covered by this determination.

Performance pay

Performance pay is not available to staff under the EA or to those staff covered by DIBP Determination 2015/01. Performance pay is also not available to SES staff.

Subsection 24(3) determination for non-SES seagoing Marine Unit staff provides performance pay to those at the top of their salary range and who receive a rating of 'performed above agreed requirements' or 'met agreed requirements' through the performance management system.

Table 16 – Performance pay outcomes 2017–18³³

	ASP3	APS4	APS5	APS6	EL1	Total
Number of officers receiving bonus	148	21	79	29	14	291
Total amount paid	\$182,507.79	\$10,432.40	\$129,063.88	\$60,282.00	\$29,544.34	\$411,830.41
Average bonus amount	\$1,233.16	\$496.78	\$1,633.72	\$2,078.69	\$2,110.31	\$1,415.22
Minimum bonus paid	\$187.00	\$128.00	\$366.00	\$1,635.00	\$1,206.00	\$128.00
Maximum bonus paid	\$3,222.45	\$1,476.00	\$3,785.90	\$4,520.00	\$5,659.30	\$5,659.30

Figures in Table 16 are based on the indicative Marine Crew Performance pay outcomes and will be paid in 2018–19.

Non-salary benefits

The range of non-salary benefits provided to staff under the EA and individual employment arrangements includes:

- » flexible working arrangements, including flex time, flexible time-off arrangements, variable working hours, part-time employment, job-sharing and home-based work
- » flexible leave such as adoption/foster leave, annual leave at both full and half pay, ceremonial leave, community service volunteer leave, compassionate or bereavement leave, defence reserve leave, maternity leave, NAIDOC leave, parental leave, personal leave, purchased leave and war service sick leave
- » salary packaging
- » allowances, such as community language allowance, first aid allowance, irregular maritime arrivals allowance, restrictions allowance and volunteer allowance.

DIBP Determination 2015/01 and the subsection 24(3) determination for non-SES seagoing Marine Unit staff maintained the following existing non-salary benefits for former ACBPS EL 2 staff who were in receipt of the benefit on 30 June 2015:

- » motor vehicle allowance
- » car parking allowance
- » home garaging.

These determinations also maintained airline lounge memberships and additional days off for former ACBPS EL 1 and EL 2 staff.

33 Australian Customs and Border Protection Service Enterprise Agreement 2011–2014

Work health and safety

Initiatives and outcomes

The Department implements and maintains effective work health and safety (WHS) strategies and systems to promote continuous WHS improvement and a positive safety culture.

The Department has undertaken significant work with stakeholders on a range of pressing WHS risks and remediation requirements. This has resulted in a significant rise in WHS awareness and engagement across the workforce.

Key work, health and safety initiatives during 2017–18 included:

- » workplace risk assessments in ABF workplaces focussed on issues such as hazardous chemicals and the provision and use of personal protective equipment
- » working with leaders and workers in the Immigration and Citizenship Services Group on a strategy to address psychosocial risks associated with visa-related work
- » engagement by the Department's health and safety representatives in risk assessments and mitigation processes, including remediation of water quality risks on ABF vessels; risk assessments of container examination facilities; hazardous chemicals and unknown substances awareness workshops; and representation on the visa psychosocial working group
- » following the creation of Home Affairs, briefing staff on WHS due diligence obligations and duties, and connecting incoming functions to WHS services and support
- » delivering due diligence information sessions to SES Officers in July 2017 and May 2018
- » progressing work to achieve accreditation under a globally accepted standard for systems of safety: AS/NZ ISO 4804:2001 – Occupational Health and Safety Management Systems.

Mechanisms of injury

The Department identifies actions, events and situations that can or do cause injury and disease.

Mechanism-of-injury descriptors are based on a national classification system. Table 17 shows injuries by mechanism for accepted workers compensation claims.

Table 17 – Three-year summary of mechanism of injury for accepted claims

Accepted claims	2015–16	2016–17	2017–18
Falls, trips and slips	49	31	30
Hitting objects	17	5	4
Being hit by moving objects	19	16	15
Sound and pressure	1	0	2
Body stressing	82	43	37
Heat, electricity and other environmental	1	0	2
Chemicals and other substances	1	1	1
Biological factors	1	1	1
Mental stress	19	10	9
Hazard	0	0	0
Vehicle accidents and other	4	1	0
Other or unspecified	9	0	8
Total	203	108	109

Notifiable incidents

Table 18 shows the Incidents notified to Comcare under sections 35, 36 and 37 of the *Work Health and Safety Act 2011*

Table 18 – Incidents notified to Comcare

Notifiable incident classification	2015–16	2016–17	2017–18
Death	7	1	2
Serious injury/illness (SII)	100	34	46
Dangerous incident (DI)	44	25	52
Total	151	60	100

Investigations

The Department liaises with Comcare on all regulatory and cooperative compliance matters.

The organisations meet monthly to work collaboratively on WHS matters of mutual interest. Between 1 July 2017 and 30 June 2018 Comcare conducted 27 investigations under section 155 of the *Work Health and Safety Act 2011* on matters related to the Department's responsibilities.

Unscheduled absence management

The Department supports the health and wellbeing of employees, including actively managing instances where individuals struggle with attendance. Employees with serious illnesses receive support from their local managers and professional support to help them recover and return to work.

Analysis of unscheduled absence shows that 35 per cent of employees had taken five days or less personal leave over the last 12 months, and almost 64 per cent of employees took 10 days or less personal leave.

This year the Department undertook detailed analyses of unscheduled absences, including a comparison between divisions with low unscheduled absence rates and those with rates above the APS unscheduled absence rate for large agencies. Several factors explored in the APS Employee Census were found to influence low rates of unscheduled absences, such as the nature of work being performed and levels of team and supervisor engagement. The Department continues to work with staff and managers to address any high levels of unscheduled absences.

Procurement, assets and grants

Purchasing and procurement

The Department based its purchasing and procurement policies on the PGPA Act and the Commonwealth Procurement Rules (CPRs).

The Corporate and Enabling Group provided specialist advice and assistance to all departmental and ABF areas engaged in procurement and contract management through:

- » promotion of self-service, including streamlined information, guidance and tools supported by a helpdesk function
- » dedicated procurement staff to provide appropriate support and advice for approaches to market
- » developing and maintaining policy documentation and guidance
- » comprehensive advice for high value/high risk procurements
- » coordinating external procurement and contract reporting
- » legal and probity advice.

Contract information is published on AusTender in accordance with the requirements of the CPRs and other relevant guidelines. In addition to the information published on AusTender, the Department has an in-house contract reporting system that includes procurement and contract documentation. Quality assurance measures and assurance processes in the system are used to maintain the accuracy and completeness of procurement related information.

Australian National Audit Office (ANAO) access provisions

The Department's standard contract templates and the Commonwealth Contracting Suite include provisions allowing the Auditor-General to have access to the contractor's premises, known as ANAO access clauses.

Exempt contracts

The Department did not have any contracts with a value of \$10,000 or more (inclusive of GST) or any standing offers that had been exempted by the Secretary from being published on AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

Small and medium enterprises

The Department supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website³⁴.

The Department recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website³⁵.

34 www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/

35 <http://www.treasury.gov.au/>

The Department's procurement practices to support SMEs were consistent with paragraph 5.4 of the CPRs.

For example, initiatives and practices by the Department in 2017–18 that demonstrated this commitment were:

- » use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000
- » development of Australian Industry Participation plans in whole-of-government procurement where applicable
- » coordination of the Indigenous Procurement Policy
- » following Small Business Engagement Principles (outlined in the Government's Industry Innovation and Competitiveness Agenda), such as communicating in clear, simple language and presenting information in an accessible format
- » electronic systems or other processes used to facilitate on-time payment performance, including the use of payment cards.

Consultancy services

The Department's policy for selecting and engaging consultants is based on the core principle of value for money and conducted in accordance with the PGPA Act and the Commonwealth Procurement Rules. Decisions to procure consultancy services are made both strategically and operationally, injecting specialist knowledge and expertise in areas outside of the Department's core business functions.

In 2017–18, the Department entered into 125 new consultancy contracts as reflected on AusTender. Total actual expenditure against these contracts was \$26.95 million (inclusive of GST). In addition, 69 ongoing consultancy contracts that were previously reported on AusTender remained active during 2017–18 and incurred total actual expenditure of \$13.39 million (inclusive of GST) during the period.

The figures provided above include consultancy contracts transferred from the Attorney-General's Department and the Department of Infrastructure and Regional Development. These contracts formed part of the machinery-of-government changes during the period.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website³⁶.

Advertising and market research expenditure

- » During 2017–18 the Department conducted the following advertising campaigns: Border Watch Information Campaign
- » Anti-People Smuggling Communication Campaign.

The advertising and market research expenditure is outlined in Table 19.

36 www.tenders.gov.au

Further information on these advertising campaigns is available within the Chief Executive Certifications or Government advertising campaigns published on the Department of Home Affairs website³⁷, and in Australian Government advertising reports published on the Department of Finance's website³⁸.

Table 19 – Advertising and Market Research

Media advertising and market research	Total amount paid against contract (GST exclusive)	Total amount paid against contract (GST inclusive)
Market research		
Essence Communications Trust	\$154,737	\$170,211
JWS Research	\$162,600	\$178,860
Whereto Research Based Consulting	\$68,181	\$74,999
Colmar Brunton PTY Limited	\$30,650	\$33,715
Total	\$416,168	\$457,785
Media advertising		
Dentsu X	\$5,841,860	\$6,426,046
Telstra	\$235,622	\$259,185
Total	\$6,077,482	\$6,685,231
Advertising Agencies³⁹		
Saatchi & Saatchi Australia PTY LTD	\$1,097,125	\$1,206,837
Statt Consulting Limited	\$3,764,388	\$3,764,388
Tal Group Thompson Associates	\$358,271	\$658,271
Lapis Middle East and Africa FZ-LLC	\$60,592	\$60,592
Total	\$5,280,376	\$5,690,088

³⁷ www.homeaffairs.gov.au

³⁸ www.finance.gov.au

³⁹ The vendors listed under Advertising Agencies are not subject to GST, with the exception of Saatchi & Saatchi Australia Pty Ltd.

Asset management

The Department managed \$2.65 billion of non-financial assets in 2017–18. The Department's main asset classes are land and buildings, leasehold improvements, vessels, plant and equipment, and intangible assets (software). They include:

- » \$1.07 billion in administered property, plant and equipment assets primarily held to support the care and management of detainees, including IMAs in immigration detention.
- » \$1.57 billion in departmental assets, including \$555 million in computer software supporting the Department's operations and \$343 million in vessels that support the ABF, but excluding inventories held and other non-financial assets.

The Department's governance framework for managing assets to enable the accurate reporting of asset balances in the financial statements encompasses:

- » asset investment, through setting an annual capital plan that reflects both Government priorities and ongoing business requirements. The plan is regularly monitored to ensure that planned expenditure reflects the Department's business requirements
- » monitoring existing assets
- » undertaking an annual stocktake and impairment review of non-current assets that is used to:
 - » update and verify the accuracy of asset records
 - » review the condition and utility of assets
 - » assess expected useful lives of assets
- » fair value measurement - through rolling three yearly revaluations of all tangible assets, completed by qualified external valuers. A full revaluation of assets in 2017–18 resulted in an \$80 million increase in the carrying value of assets
- » maintenance of property, plant and equipment assets, including those leased under contract from various service providers through specific maintenance programs.

Additional information on the value, acquisition, disposal and revaluation of assets is available in the 2017–18 financial statements in Part 5 of this report.

Grants program

Information on grants awarded by the Department during the period 1 July 2017 to 31 December 2017 is available on the Department's website⁴⁰.

All grants information from 1 January 2018 onwards, is available on GrantConnect⁴¹.

All grants awarded were consistent with the Commonwealth Grant Rules and Guidelines, available on the Department of Finance's website⁴².

40 <https://www.homeaffairs.gov.au/about/reports-publications/reports/corporate/grants>

41 <https://www.grants.gov.au/>

42 <https://www.finance.gov.au/resource-management/grants/>

Ecologically sustainable development and environmental performance

Improvement and sustainability initiatives

Environmental management system

The Department employed an environmental management system (EMS) to help meet its environmental policy objectives. The EMS is a strategic tool to manage the impact of the Department's activities on the environment. It also provided a structured approach to daily operations in helping to plan and implement environmental protection measures.

The EMS is based on international standard AS/NZS ISO 14001 Environmental Management Systems.

Green initiatives

The Department undertook several environmental initiatives in 2017–18, including:

- » continued participation in mobile phone recycling in its National Office in Belconnen, ACT
- » recycling used printer cartridges for multi-function devices
- » the successful procurement process to identify future long-term accommodation solutions for the Department's headquarters in Canberra. This will see the department rationalise its accommodation footprint by consolidating a number of buildings over the next four years, making up almost 50 per cent of the Department's workstation capacity.
- » quarterly energy reporting and building management committee meetings for all green lease schedule (GLS) sites as per Energy Efficiency in Government Operations (EEGO) policy requirements.

Green lease schedule management

Green lease schedule management The Department supported and complied with the GLS, a key Government policy requirement. A green lease schedule (GLS) is mandatory inclusion in Government leases over 2,000m². In the reporting period, Jones Lang LaSalle managed the 13 GLS departmental sites.

The National Australian Built Environment Rating System (NABERS)

The Department utilises NABERS to measure its building's environmental performance during operation, in particular the rating of its measured operational impact on factors such as energy, water, waste and indoor environment. The NABERS rating has been chosen as the performance benchmark for GLSs and the mandatory Commercial Building Disclosure Program, as these environmental indicators and the associated measurement techniques have been subject to extensive research and deliberation, drawing on international and local expertise. The target for NABERS ratings for the Department's properties is above 4.5 stars, unless otherwise stated in leases. Of the 13 GLS sites within the Department, five met the target energy rating, two were below target and the remaining sites had ratings in progress. More information can be found at the NABERS website⁴³.

43 www.nabers.com.au

Information and communication technology sustainability initiatives

As part of the Portfolio formally beginning operations on 20 December 2017, more than 1,000 staff transferring to the Department were provided with access to all necessary ICT infrastructure, capability and corporate systems. Additionally, data for business functions were transferred to the Department. The IT network was extended to eight new Canberra office locations.

Progress was made towards simplifying the Department's ICT operating environment by transitioning all staff to a consolidated end-user computing environment. Regardless of which organisation staff previously belonged to, mobile device management, desktop, email and messaging, print and file services are all now accessible through a common interface. Staff can access corporate applications through a single desktop on the Windows 10 managed operating environment. Cyber security has improved with significant contributions made to the ASD Top Four cyber security mitigations.

The Department actively manages its ICT assets, which support the broad operational requirements spanning immigration and citizenship operations, customs and trade facilitation and intelligence. The Department must ensure that its underlying ICT assets are operational 24 hours a day, seven days a week, in 62 locations around the world.

Heritage strategy

The Department managed its obligations under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) to preserve and promote Commonwealth heritage sites. The Villawood Immigration Detention Facility (IDF) is the only departmental property included on the Commonwealth Heritage List.

A heritage precinct has been established on the northern boundary of the Villawood IDF, facing Miowera and Gurney Roads. A heritage precinct master plan ensures the continuing protection of the site's remaining heritage values.

The precinct features key elements of the Villawood migrant hostel, two Nissen accommodation huts, the former dining room (Saar hut) and the boilers from the original laundry.

National environmental policy

Under section 516A of the EPBC Act, Commonwealth organisations have a statutory requirement to report on their environmental performance and how they accord with, and advance the principles of, ecologically sustainable development. The following information reports on our environmental performance in accordance with these requirements.

The national environmental policy, endorsed by the Department in 2009, has been the foundation for environmental stewardship within departmental offices. It sets out the level of environmental responsibility and performance that the Department expects.

Under this policy, the Department undertook to:

- » review and improve its environmental performance by setting objectives and targets appropriate to the nature, scale and impact of its operations

- » ensure the use of processes, practices, techniques, materials, products, services and/or energy to avoid, reduce or control the creation, emission or discharge of any type of pollutant or waste in order to reduce adverse environmental impacts
- » comply with applicable Australian Government and state and territory government environmental legislation, regulations, policies, initiatives and other requirements that relate to the Department's environmental aspects.

Energy performance

The EEGO policy aims to reduce energy consumption by government operations, with particular emphasis on building energy efficiency. A key EEGO objective was for government office buildings in all portfolios to achieve an energy intensity target of 7500 megajoules per average staff level per annum (MSpp/pa) for tenant light and power by June 2012.

Following the merger of ACBPS and DIBP in July 2015, this is the third year reporting on consolidated energy performance. However, comparative performance is available for the individual agencies in previous years.

Table 20 – The Department's energy performance against EEGO policy intensity target⁴⁴

EEGO policy intensity target (Tenant light and power at 7,500 MJ pp/pa By June 2012)	2012–13	2013–14	2014–15	2015–16	2016–17 ⁴⁴	2017–18
Department of Immigration and Border Protection	5,829	5,155	4,325	8,958	7,896	7,238
Australian Customs and Border Protection Service	12,864	12,075	13,069	n/a	n/a	n/a

⁴⁴ Figure represents consolidated Department.



Part 7

Appendices

Appendix A: Years at a Glance

Table 21 – Years at a glance

	2015–16	2016–17	2017–18
Permanent Migration Program and child outcome	189,770	183,608	162,417
Skill stream places	128,550	123,567	111,099
Family stream places	57,400	56,220	47,732
Special eligibility stream places	308	421	236
Child places delivered outside the managed Migration Program	3,512	3,400	3,350
Temporary visas granted	7.7 million	8.4 million	8.7 million
Visitor visas granted	4.8 million	5.3 million	5.6 million
Number of eVisas granted	3.4 million	4.1 million	4.9 million
Student visas granted	310,845	343,035	378,292
Working holiday maker visas granted	214,583	211,011	210,456
Special Category (subclass 444) visas granted	1.9 million	1.9 million	1.9 million
Maritime crew and transit visas granted	345,873	352,394	351,516
Temporary Work (skilled) (subclass 457) visas granted	85,611	87,580	64,470
Temporary residents (other) visas granted	130,807	145,100	180,459
Refugee and humanitarian entry			
Humanitarian program visas granted (2015-16 and 2016–17 included visas granted towards the annual resettlement component of the Humanitarian Program, and the additional 12,000 places for people displaced by conflict in Syria and Iraq)	17,555	21,968	16,250
Number of Illegal Maritime Arrival legacy caseload applications finally determined (grants and refusals)	2,165	8,000	7,041
Citizenship			
Number of people conferred with Australian citizenship	133,126	137,750	80,562
Number of people whose applications for Australian citizenship by conferral, descent and resumption were approved	148,502	146,405	99,893

	2015–16	2016–17	2017–18
Border management			
International air and sea travellers processed (including crew)	40.7 million	43.7 million	46.0 million
Ship arrivals and departures from Australian ports	35,912	36,654	37,600
Immigration clearances refused at air and seaports	3,539	4,132	4,584
SmartGate clearances	14.9 million	24.2 million	26.0 million
Sea cargo consignments inspected	96,637	85,389	93,709
Air cargo consignments inspected	2.0 million	2.1 million	1.8 million
International mail items inspected	57.3 million	58.5 million	54.6 million
Number of illicit and restricted drug detected at the border	37,960	43,415	42,872
Combined weight of major illicit drug and precursors detected at the border	5,076kg	6,220kg	11,740kg
Total weight of illicit tobacco	147.20 tonnes	356.19 tonnes	406.45 tonnes
Number of undeclared firearms, parts and accessories detected at the border	1,751	1,712	2,011
Detector dog supported detections (passenger and cargo)	1,355	1,974	2,550
Border protection			
People smuggling ventures that reached Australia	0	0	0
Conducted patrols at seaports, wharves and waterfront environments and surrounding areas, including remote and coastal regions	4,727	3,614	2,146
Marine unit patrol days	1,952	1,987	2,036
Compliance			
Percentage of temporary entrants who maintained their lawful immigration status while in Australia	99	99	99
Location events of unlawful non-citizens	15,177	15,885	14,750
Location events of Illegal workers	1,970	2,268	2,389
Illegal Worker Warning Notices (IWWNs) issued to employers of illegal workers	424	396	310
Removals and assisted departures of non-citizens onshore and transferees from regional processing centres	14,708	14,660	14,049
Total number of visa cancellations	62,071	57,161	57,440
Total number of non-humanitarian visa refusals	211,426	238,335	308,150

	2015–16	2016–17	2017–18
Detention			
Illegal foreign fishers taken into immigration detention	192	192	58
People in Australian immigration detention (mainland) at 30 June	2,200	1,815	1,715
Trade, customs and revenue			
Import and export entries	5.1 million	5.2 million	5.6 million
Revenue collected from visa application charges, customs duty, import processing charges and passenger movement charges	17.2 billion	17.7 billion	19.3 billion
Client contact			
Telephone calls to service centres (general enquiries and citizenship information lines)	1.2 million	1.2 million	1.0 million
Telephone interpreting services	1.1 million	1.1 million	1.0 million
Telephone calls to TIS National's contact centre	1.2 million	1.2 million	1.2 million
Transport security compliance activities			
Audits	198 ⁴⁵	167 ⁴⁶	195 ⁴⁷
Inspections	214	498	704
System tests	349	361	790
Total	761	1026	1689
Employee head count			
Department employees	8,115	7,574	8,399
Australian Border Force employees	6,126	6,183	6,017
Total employees	14,241	13,757	14,416
Locally engaged employees	1,191	1,110	1,143
Total employees (including locally engaged)	15,432	14,867	15,559

45 The figures for 2015–16 are inclusive of NCP activities only due to being unable to access the totals of Targeted activities in a superseded system.

46 The figures for 2016–17 are inclusive of both NCP and Targeted activities.

47 The figures for 2017–18 are inclusive of both NCP and Targeted activities.

Appendix B: Correction of material errors

Correction of errors in the *Department of Immigration and Border Protection Annual Report 2016–17*.

Page 78

In paragraph 2, the figure regarding the number of non-citizens removed from onshore immigration detention in 2015–16 was incorrectly recorded as 4754. The sentence should read: The Department managed the removal of 6948 non-citizens from onshore immigration detention, compared with 6208 in 2015–16.

Page 92

The result for KPI 3.1.2.1, Number of imports received (air cargo), was incorrectly recorded as 42.1 million. The correct figure is 41.9 million.

Page 234

The salary range for APS 6 staff in table 18 was incorrectly reported as \$74,321–\$118,000. The correct figure is \$74,321–\$99,869.

Page 244

In Table 24, advertising and market research expenditure, the GST inclusive amount for Dentsu Mitchell was incorrectly reported as \$2,194,046. The correct figure is \$2,441,108.

Page 251

In table 26, the figure for 'tenant light and power at 7,500MJ by June 2012–DIBP for years 2016–17 was incorrectly recorded as 7,896. The correct figure is 8,030.

Appendix C: Report on Financial Performance

Financial resource statement 2017–18

	Actual available appropriation 2017-18 \$'000	Payments made 2017-18 \$'000	Balance remaining 2017-18 \$'000
Ordinary annual services			
Appropriation receivable ^a	222,696	222,696	-
Departmental appropriation ^b	2,725,644	2,471,221	254,423
Section 74 of the PGPA Act - relevant agency receipts	99,373	99,373	-
Total	3,047,713	2,793,290	254,423
Administered expenses			
Outcome 1 ^c	2,049,308	1,810,965	
Outcome 2	32,769	37,938	
Outcome 3	-	-	
Total^d	2,082,077	1,848,903	
Total ordinary annual services	A 5,129,790	4,642,193	
Other services			
Outcome 1			
Administered expenses specific payments to states, ACT, NT and local government	3,338	930	
Total	3,338	930	
Departmental non-operating			
Equity injections ^e	428,144	262,710	165,434
Total	428,144	262,710	165,434
Administered non-operating			
Prior year administered appropriation	87,453	45,962	
Administered assets and liabilities	26,827	159	
Payments to Commonwealth Companies (PGPA Act) bodies–non- operating	-	-	
Total^f	114,280	46,121	
Total other services	B 545,762	309,761	
Total available annual appropriations and payments	5,675,552	4,951,954	

		Actual available appropriation 2017-18 \$'000	Payments made 2017-18 \$'000	Balance remaining 2017-18 \$'000
Special appropriations				
Special appropriations limited by criteria/entitlement				
PGPA Act Section 77			453,523	
<i>Taxation Administration Act 1953</i> , Section 16			227,643	
<i>Social Security (Administration) Act</i> 1999, Section 242			691	
Total special appropriations	C		681,857	
Special accounts^a				
Opening balance		-		
Appropriation receipts		-		
Appropriation receipts - other agencies		-		
Non-appropriation receipts to special accounts		-		
Payments made			-	
Total special account	D	-	-	-
Total resourcing and payments (A+B+C+D)		5,675,552	5,633,811	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or corporate entities through annual appropriations		-	-	
Total net resourcing and payments for the Department		5,675,552	5,633,811	

- a. Actual available appropriation receivable excludes prior year appropriations that lapsed during 2017-18 (\$14.592 million) or withheld in accordance with section 51 of the PGPA Act (\$41.054 million).
- b. *Appropriation Act (No. 1) 2017-2018, Appropriation Act (No. 3) 2017-2018 and Appropriation Act (No. 5) 2017-2018*. Includes an amount of \$127.093 million for departmental capital budget. For accounting purposes, this amount has been designated as 'contributions by owners'. Also includes amounts for *Appropriation Act (No. 1) 2017-2018* (\$60.142 million) and *Appropriation Act (No. 1) 2016-2017* (\$28.602 million) transferred to the Department in 2017-18 through section 75 of the PGPA Act.
- c. Includes amounts for *Appropriation Act (No. 1) 2017-2018* (\$34.858 million) and *Appropriation Act (No. 3) 2017-2018* (\$2.507 million) transferred to the Department in 2017-18 through section 75 of the PGPA Act.
- d. Administered payments include all cash payments in 2017-18 for administered expenses. Includes an amount of \$27.521 million for the administered capital budget. For accounting purposes, this amount has been designated as 'transfer from the Australian Government for administered assets and liabilities'.
- e. Actual available appropriation for 2017-18 includes \$161.392 million attributed to prior years. Excluded from actual available appropriation for 2017-18 are prior year appropriations that lapsed during 2017-18 (\$15.681 million) or withheld in accordance with section 51 of the PGPA Act (\$20.763 million).
- f. Includes amounts for *Appropriation Act (No. 2) 2016-2017* (\$0.385 million), *Appropriation Act (No. 4) 2016-2017* (\$19.337 million) and *Appropriation Act (No. 4) 2015-2016* (\$0.985 million) transferred to the Department in 2017-18 through section 75 of the PGPA Act.
- g. The *Proceeds of Crime Act 2002* programs special account and services for other entities and trust moneys special account were established during 2017-18. Zero balance was brought forward for each special account and neither special account transacted during the reporting period.

Expenses for Outcome 1 2017-18

Outcome 1: Protect Australia's sovereignty, security and safety through its national security, emergency management system, law enforcement, and managing its border, including managing the stay and departure of all non-citizens.

	Budget 2017-18^a \$'000	Actual Expenses 2017-18 \$'000	Variations 2017-18 \$'000
Program 1.1: Border Enforcement			
Departmental expenses:			
Departmental appropriation ^b	925,368	1,034,314	108,946
Expenses not requiring appropriation in the Budget year ^c	130,562	142,276	11,714
Departmental total	1,055,930	1,176,590	120,660
Total expenses for Program 1.1	1,055,930	1,176,590	120,660

Program 1.2: Border Management**Administered expenses:**

Ordinary annual services (Appropriation Act No. 1 and 3)	8	-	(8)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	8	-	(8)
Departmental expenses:			
Departmental appropriation ^b	216,387	205,308	(11,079)
Expenses not requiring appropriation in the Budget year ^c	25,695	30,282	4,587
Departmental total	242,082	235,590	(6,492)
Total expenses for Program 1.2	242,090	235,590	(6,500)

Program 1.3: Onshore Compliance and Detention**Administered expenses:**

Ordinary annual services (Appropriation Act No. 1 and 3)	797,011	732,173	(64,838)
Expenses not requiring appropriation in the Budget year ^c	54,657	64,265	9,608
Administered total	851,668	796,438	(55,230)
Departmental expenses:			
Departmental appropriation ^b	420,196	370,118	(50,078)
Expenses not requiring appropriation in the Budget year ^c	24,375	36,140	11,765
Departmental total	444,571	406,258	(38,313)
Total expenses for Program 1.3	1,296,239	1,202,696	(93,543)

	Budget 2017-18 ^a \$'000	Actual Expenses 2017-18 \$'000	Variations 2017-18 \$'000
<u>Program 1.4: IMA Offshore Management</u>			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1 and 3)	1,103,783	1,015,030	(88,753)
Expenses not requiring appropriation in the Budget year ^c	339,384	399,281	59,897
Administered total	1,443,167	1,414,311	(28,856)
Departmental expenses:			
Departmental appropriation ^b	35,287	73,128	37,841
Expenses not requiring appropriation in the Budget year ^c	3,531	4,739	1,208
Departmental total	38,818	77,867	39,049
Total expenses for Program 1.4	1,481,985	1,492,178	10,193
<u>Program 1.5: Regional Cooperation</u>			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1 and 3)	79,710	76,185	(3,525)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	79,710	76,185	(3,525)
Departmental expenses:			
Departmental appropriation ^b	20,453	30,030	9,577
Expenses not requiring appropriation in the Budget year ^c	746	1,192	446
Departmental total	21,199	31,222	10,023
Total expenses for Program 1.5	100,909	107,407	6,498
<u>Program 1.6: Transport Security</u>			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1 and 3)	991	23	(968)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	991	23	(968)
Departmental expenses:			
Departmental appropriation ^b	20,730	23,161	2,431
Expenses not requiring appropriation in the Budget year ^c	-	5,648	5,648
Departmental total	20,730	28,809	8,079
Total expenses for Program 1.6	21,721	28,832	7,111

	Budget 2017-18 ^a \$'000	Actual Expenses 2017-18 \$'000	Variations 2017-18 \$'000
<u>Program 1.7: National Security and Criminal Justice</u>			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1 and 3)	39,574	27,501	(12,073)
Other services—specific purpose payments (Appropriation Act No. 2 and 4)	1,769	1,520	(249)
Special Appropriation – Australian Victims of Terrorism Overseas Payment	2,035	662	(1,373)
Expenses not requiring appropriation in the Budget year ^c	-	692	692
Administered total	43,378	30,375	(13,003)
Departmental expenses:			
Departmental appropriation ^b	38,015	46,282	8,267
Expenses not requiring appropriation in the Budget year ^c	-	8,395	8,395
Departmental total	38,015	54,677	16,662
Total expenses for Program 1.7	81,393	85,052	3,659
<u>Program 1.8: Cyber Security</u>			
Departmental expenses:			
Departmental appropriation ^b	720	-	(720)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Departmental total	720	-	(720)
Total expenses for Program 1.8	720	-	(720)
<u>Program 1.9: Counter Terrorism</u>			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1 and 3)	83	2	(81)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	83	2	(81)
Departmental expenses:			
Departmental appropriation ^b	1,338	1,316	(22)
Expenses not requiring appropriation in the Budget year ^c	-	317	317
Departmental total	1,338	1,633	295
Total expenses for Program 1.9	1,421	1,635	214

	Budget 2017-18 ^a \$'000	Actual Expenses 2017-18 \$'000	Variations 2017-18 \$'000
<u>Program 1.10: Australian Government Disaster Financial Support Payments</u>			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1 and 3)	305	(307)	(612)
Special Appropriation	-	29	
Expenses not requiring appropriation in the Budget year ^c	38	91	53
Administered total	343	(187)	(559)
Total expenses for Program 1.10	343	(187)	(559)

Outcome 1 totals by appropriation type**Administered expenses:**

Ordinary annual services (Appropriation Act No. 1 and 3)	2,021,465	1,850,607	(170,858)
Other services-specific purpose payments (Appropriation Act No. 2 and Bill No. 4)	1,769	1,520	(249)
Special Appropriation	2,035	691	(1,344)
Expenses not requiring appropriation in the Budget year ^c	394,079	464,329	70,250
Administered total	2,419,348	2,317,147	(102,201)
Departmental expenses:			
Departmental appropriation ^b	1,678,494	1,783,657	105,163
Expenses not requiring appropriation in the Budget year ^c	184,909	228,989	44,080
Departmental total	1,863,403	2,012,646	149,243
Total expenses for Outcome 1	4,282,751	4,329,793	47,042
Average staffing level (number)	8,754	8,755	1

- Budget relates to the estimated actual result reported in the PBS 2018-19, which incorporates the financial information provided in the PSAES 2017-18. Note the PSAES 2017-18 does not provide financial estimates by program.
- Departmental appropriation combines ordinary annual services (Appropriation Act No. 1, 3 and 5) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
- Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets, resources received free of charge and capital grants for gifted assets.

Expenses for Outcome 2 2017-18

Outcome 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa, multicultural and citizenship programs and provision of refugee and humanitarian assistance.

Budget 2017-18^a \$'000	Actual Expenses 2017-18 \$'000	Variations 2017-18 \$'000
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Program 2.1: Multicultural Affairs and Citizenship**Departmental expenses:**

Departmental appropriation ^b	52,383	77,093	24,710
Expenses not requiring appropriation in the Budget year ^c	7,806	7,272	(534)
Departmental total	60,189	84,365	24,176
Total expenses for Program 2.1	60,189	84,365	24,176

Program 2.2: Migration**Departmental expenses:**

Departmental appropriation ^b	302,241	266,540	(35,701)
Expenses not requiring appropriation in the Budget year ^c	21,601	27,364	5,763
Departmental total	323,842	293,904	(29,938)
Total expenses for Program 2.2	323,842	293,904	(29,938)

Program 2.3: Visas**Administered expenses:**

Ordinary annual services (Appropriation Act No. 1 and 3)	-	720	720
Expenses not requiring appropriation in the Budget year ^c	-	(992)	(992)
Administered total	-	(272)	(272)
Departmental expenses:			
Departmental appropriation ^b	413,659	348,367	(65,292)
Expenses not requiring appropriation in the Budget year ^c	43,069	44,244	1,175
Departmental total	456,728	392,611	(64,117)
Total expenses for Program 2.3	456,728	392,339	(64,389)

	Budget 2017-18 ^a \$'000	Actual Expenses 2017-18 \$'000	Variations 2017-18 \$'000
<u>Program 2.4: Refugee and Humanitarian Assistance</u>			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1 and 3)	32,769	35,806	3,037
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	32,769	35,806	3,037
Departmental expenses:			
Departmental appropriation ^b	123,904	129,630	5,726
Expenses not requiring appropriation in the Budget year ^c	4,043	7,323	3,280
Departmental total	127,947	136,953	9,006
Total expenses for Program 2.4	160,716	172,759	12,043

Outcome 2 totals by appropriation type**Administered expenses:**

Ordinary annual services (Appropriation Act No. 1 and 3)	32,769	36,526	3,757
Expenses not requiring appropriation in the Budget year ^c	-	(992)	(992)
Administered total	32,769	35,534	2,765

Departmental expenses:

Departmental appropriation ^b	892,187	821,630	(70,557)
Expenses not requiring appropriation in the Budget year ^c	76,519	86,203	9,684
Departmental total	968,706	907,833	(60,873)
Total expenses for Outcome 2	1,001,475	943,367	(58,108)
Average staffing level (number)	4,612	4,564	(48)

- Budget relates to the estimated actual result reported in the PBS 2018-19, which incorporates the financial information provided in the PSAES 2017-18. Note the PSAES 2017-18 does not provide financial estimates by program.
- Departmental appropriation combines ordinary annual services (Appropriation Act No. 1, 3 and 5) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
- Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets, resources received free of charge and capital grants for gifted assets.

Expenses for Outcome 3 2017-18

Outcome 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	Budget 2017-18^a \$'000	Actual Expenses 2017-18 \$'000	Variations 2017-18 \$'000
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Program 3.1: Border-Revenue Collection**Administered expenses:**

Ordinary annual services (Appropriation Act No. 1 and 3)

- - -

Expenses not requiring appropriation in the Budget year^c

13,500 5,777 (7,723)

Administered total	13,500	5,777	(7,723)
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Departmental expenses:

Departmental appropriation^b

64,589 74,374 9,785

Expenses not requiring appropriation in the Budget year^c

4,179 14,158 9,979

Departmental total	68,768	88,532	19,764
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Total expenses for Program 3.1	82,268	94,309	12,041
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Program 3.2: Trade Facilitation and Industry Engagement**Departmental expenses:**

Departmental appropriation^b

57,197 29,845 (27,352)

Expenses not requiring appropriation in the Budget year^c

2,523 2,544 21

Departmental total	59,720	32,389	(27,331)
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Total expenses for Program 3.2	59,720	32,389	(27,331)
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Outcome 3 totals by appropriation type**Administered expenses:**

Ordinary annual services (Appropriation Act No. 1 and 3)

- - -

Expenses not requiring appropriation in the Budget year^c

13,500 5,777 (7,723)

Administered total	13,500	5,777	(7,723)
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Departmental expenses:

Departmental appropriation^b

121,786 104,219 (17,567)

Expenses not requiring appropriation in the Budget year^c

6,702 16,702 10,000

Departmental total	128,488	120,921	(7,567)
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Total expenses for Outcome 3	141,988	126,698	(15,290)
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Average staffing level (number)	584	573	(11)
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- a. Budget relates to the estimated actual result reported in the PBS 2018-19, which incorporates the financial information provided in the PSAES 2017-18. Note the PSAES 2017-18 does not provide financial estimates by program.
- b. Departmental appropriation combines ordinary annual services (Appropriation Act No. 1, 3 and 5) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.
- c. Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets, resources received free of charge and capital grants for gifted assets.

Appendix D: Salary and classification rates

The following tables provide a breakdown of salary ranges within each classification as prescribed by the Department's EA.

Table 22 – Salary and classification rates – Indigenous cadets and graduates

APS classification	Salary point	Salary effective 30 June 2018
Indigenous Cadet pay rates during full-time study are 60 per cent of full-time	APS 1	\$26,469
APS1 and Indigenous Cadet during practical training	APS 1.1	\$44,116
	APS 1.2	\$45,578
	APS 1.3	\$48,884
Graduate (APS Level 3)	APS 3.1	\$56,094
	APS 3.2	\$57,775
	APS 3.3	\$62,330

Table 23 – Salary and classification rates – APS level staff

APS classification	Salary point	Salary effective 30 June 2018
APS Level 1	APS 1.1	\$44,116
	APS 1.2	\$45,578
	APS 1.3	\$48,884
APS Level 2	APS 2.1	\$49,321
	APS 2.2	\$50,614
	APS 2.3	\$51,932
	APS 2.4	\$55,487
APS Level 3	APS 3.1	\$56,094
	APS 3.2	\$57,775
	APS 3.3	\$62,330
APS Level 4	APS 4.1	\$62,870
	APS 4.2	\$64,508
	APS 4.3	\$69,580
APS Level 5	APS 5.1	\$70,344
	APS 5.2	\$71,706
	APS 5.3	\$75,770
APS Level 6	APS 6.1	\$77,294
	APS 6.2	\$81,176
	APS 6.3	\$88,713

Table 24 – Salary and classification rates – Executive Level Staff

APS classification	Salary point	Salary effective 30 June 2018
Executive Level 1	EL 1.1	\$96,513
	EL 1.2	\$98,886
	EL 1.3	\$107,529
Executive Level 2	EL 2.1	\$114,357
	EL 2.2	\$118,633
	EL 2.3	\$122,906
	EL 2.4	\$133,245

Table 25 – Salary and classification rates – Legal Officers

APS classification	Local title	Salary point	Salary effective 30 June 2018
APS Level 4	Legal Officer	LO APS 4.1	\$66,283
APS Level 5		LO APS 5.1	\$72,022
APS Level 6		LO APS 6.1	\$74,321
		LO APS 6.2	\$78,054
		LO APS 6.3	\$86,894
Executive Level 1	Senior Legal Officer	SLO EL 1.1	\$98,564
		SLO EL 1.2	\$106,945
		SLO EL 1.3	\$118,000
Executive Level 2	Principal Legal Officer	PLO EL 2.1	\$127,452
		PLO EL 2.2	\$134,059

Table 26 – Salary and classification rates – Public Affairs Officer

APS classification	Local title	Salary point	Salary effective 30 June 2018
APS Level 4	Public Affairs Officer 1	PAO 1 APS 4.1	\$62,870
		PAO 1 APS 4.2	\$69,405
APS Level 5		PAO 1 APS 5.1	\$70,095
		PAO 1 APS 5.2	\$75,770
APS Level 6	Public Affairs Officer 2	PAO 2 APS 6.1	\$79,236
		PAO 2 APS 6.2	\$81,176
		PAO 2 APS 6.3	\$83,660
		PAO 2 APS 6.4	\$91,318
Executive Level 1	Public Affairs Officer 3	PAO 3 EL 1.1	\$108,992
		PAO 3 EL 1.2	\$111,223
		PAO 3 EL 1.3	\$120,469
Executive Level 2	Senior Public Affairs Officer B	SPAO B EL 2.1	\$119,285
		SPAO B EL 2.2	\$129,442
	Senior Public Affairs Officer A	SPAO A EL 2.3	\$125,863
		SPAO A EL 2.4	\$136,347

Table 27 – Salary and classification rates – Medical officers

APS classification	Salary point	Salary effective 30 June 2018
Medical Officer Class 2	MO 2.1	\$121,243
	MO 2.2	\$132,206
Medical Officer Class 3	MO 3.1	\$135,523
	MO 3.2	\$146,875
Medical Officer Class 4	MO 4.1	\$153,571
	MO 4.2	\$156,467
	MO 4.3	\$168,449

Appendix E: Legal services expenditure

Table 28 outlines the Department's legal services expenditure for 2017–18, in compliance with paragraph 11.1(ba) of the *Legal Services Directions 2017*.

Table 28 – Legal services expenditure

Description	2017–18 cost (excluding GST)
Total legal services expenditure	\$92,449,405.0
Total external legal services expenditure	\$58,924,087.0
External expenditure on solicitors ^{*48}	\$50,576,111.0
External expenditure on counsel ⁴⁹	\$6,848,984.0
» Number of matters in which male counsel briefed - 1,096	
» Estimated value of briefs to male counsel	\$5,162,417.0
» Number of matters in which female counsel briefed - 321	
» Estimated value of briefs to female counsel	\$ 1,686,567.0
Disbursements on external legal services	\$1,498,992.0
Total internal legal services expenditure	\$33,525,318.0
» Employees	\$28,373,063.0
» Overheads (for example, office stores and stationery, training and travel, property and information technology related costs) ⁵⁰	\$5,152,255.0

48 As the Department has entered into a fixed fee arrangement for the payment of some litigation matters, this figure will also include some expenditure on counsel and disbursements that cannot be separately identified.

49 Statistics on counsel briefs relate to finalised litigation matters only.

50 Overheads—indirect property and IT costs are included. This amount is reported in accordance with *Office of Legal Services Coordination Guidance Note 8*.

Appendix F: Administration of the Office of the Migration Agents Registration Authority

Overview of the Office of the Migration Agents Registration Authority

The Office of the Migration Agents Registration Authority (OMARA) regulates the activities of the Australian migration advice profession. This provides consumers of migration advice services with appropriate protection and assurance.

In accordance with section 322 of the *Migration Act 1958*, OMARA is required to submit a report to the Parliament on the administration of Part 3 of the Migration Act during the financial year.

Information about migration agents

Overview of the profession

On 30 June 2018, 7,402 people were registered in Australia as migration agents. This compares with 7,006 on 30 June 2017 and represents an increase of 6 per cent in 12 months.

Profile of registered migration agents

- » 48 per cent are female and 52 per cent are male
- » The average age of agents is 44 years
- » 2,223 (30 per cent) of the total number registered have a legal practising certificate; of the 521 agents who are registered as not-for-profit, 77 per cent hold a legal practising certificate
- » 75 per cent have never had a complaint made against them
- » 40 per cent report operating in a business as a sole trader

Table 29 – Experience of registered migration agents at 30 June 2018

Experience (years)	Agents	Per cent (of total agents)
< 1	1713	23%
1 – 3	2280	31%
4 – 6	958	13%
7 – 9	904	12%
> 10	1547	21%
Total	7402	100%

Registration refusals and withdrawals

During the 2017–18 year, six registration applications were refused, comprising three initial applications and three repeat applications. In addition, 40 applications were withdrawn in anticipation of the application being refused, mostly for not meeting the English language requirement. Two initial applications were refused because applicants could not meet registration requirements (one English, one qualification) and one applicant was refused based on fit and proper considerations. Two of the repeat registration applications were refused because the agents' registration had been cancelled and one application was refused because the agent failed to complete the Practice Ready Program (PRP) in their first year of registration.

Complaint processing

The OMARA received 761 complaints during 2017–18 and finalised 727 complaints. Merit and jurisdiction were established for 220 complaints and 146 were finalised with a finding that the agent had breached the Code of Conduct for registered migration agents.

Sanction outcomes

Disciplinary decisions were made in regard to 24 registered migration agents, in relation to 47 of the 146 complaints where breaches were found. These decisions resulted in one agent being cautioned, eight having their registration suspended, seven having their registration cancelled and eight being barred from registration for periods of between two and five years.

OMARA review

The OMARA continues to implement recommendations from the independent review conducted by Dr Christopher N Kendall in 2014.

- » On 1 January 2018, the tertiary qualification for entry into the migration advice profession rose from graduate certificate to the graduate diploma level, with six Australian universities approved to deliver the new course.
- » On 1 January 2018, a new framework for continuing professional development (CPD) was introduced to create a more open and competitive market-based structure and increase flexibility and variety of learning offered to agents. The OMARA has approved 18 providers under the new framework.
- » A deed of agreement was signed with the College of Law Limited to develop and deliver an independent Capstone assessment for entry into the migration advice profession. The first intake for the Capstone assessment will take place in July 2018.
- » Legislation to remove Australian legal practitioners with unrestricted practising certificates from regulation by the OMARA was passed in the House of Representatives on 28 March 2018 and is awaiting consideration by the Senate.
- » Submissions were invited and focus groups conducted on the revised code of conduct for registered migration agents. Feedback has been considered and will be incorporated into a revised code, which will be included in the Migration Agent Regulations following the removal of Australian legal practitioners from OMARA regulations.

Appendix G: Information Publication Scheme

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act.

In accordance with requirements set out in subsection 9(1) of the FOI Act, the Department completed a review of its operation of the IPS. This review was completed in conjunction with the Information Commissioner.

Information on the Department's IPS is available on the Department's website⁵¹.

51 <https://www.homeaffairs.gov.au/about/access-accountability/freedom-of-information-foi/information-publication-scheme>

Appendix H: AusCheck reporting

AusCheck transferred into the Department of Home Affairs following the machinery-of-government changes. AusCheck conducts background checking services for the Aviation Security Identification Card (ASIC), Maritime Security Identification Card (MSIC) and National Health Security (NHS) schemes.

AusCheck responds to ad hoc requests for information under paragraphs 14(2)(b)(iii) and 14(2)(b)(iiia) of the *AusCheck Act 2007*.

During 2017–18, AusCheck received seven requests for information stored in the AusCheck database for national security and law enforcement purposes. Requests were received from the Australian Federal Police (one request), Australian Criminal Intelligence Commission (one request), the Australian Border Force (three requests) and the former Department of Immigration and Border Protection (two requests).



Part 8

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material

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Abbreviations and acronyms

A

ABF	Australian Border Force
ABFC	Australian Border Force Cutter
AC	Audit Committee
ACBPS	Australian Customs and Border Protection Service
ACLEI	Australian Commission for Law Enforcement Integrity
ADF	Australian Defence Force
AFP	Australian Federal Police
AHRC	Australian Human Rights Commission
AIMPE	Australian Institute of Marine and Power Engineers
AIPM	Australian Institute of Police Management
ANAO	Australian National Audit Office
ANZSOG	Australian and New Zealand School of Government
APEC	Asia-Pacific Economic Cooperation
APM	Australian Police Medal
APS	Australian Public Service
APSC	Australian Public Service Commission
ASD	Australian Signals Directorate
ASEAN	Association of Southeast Asian Nations
ATIS	Automated telephone interpreting service
ATO	Australian Taxation Office
ATT	Australian Trusted Trader
Austrade	Australian Trade and Investment Commission

B

BVA	Bridging visa A (subclass 010)
BVE	Bridging visa E (subclass 050–051)

C

CAPEC	Conference of Asia Pacific Express Carriers
CBFCA	Customs Brokers and Forwarders Council of Australia
CCTC	Centre for Counter-Terrorism Coordination
CDC	Commercial data centre
CDSC	Capability Delivery Steering Committee
CPOH	Calls per open hour

CPRs	Commonwealth Procurement Rules
CPRSC	Capability Planning and Resource Steering Committee
CSAM	Continuous Survey of Australia's Migrants
CSP	Community Support Program
CSS	Commonwealth Superannuation Scheme

D

DAP	Disability Action Plan 2016–20
DFAT	Department of Foreign Affairs and Trade
DIBP	Department of Immigration and Border Protection
DSS	Department of Social Services

E

EA	Enterprise Agreement
EC	Executive Committee
EEGO	Energy Efficiency in Government Operations
EEZ	Exclusive Economic Zone
EMS	Environmental management system
EL	Executive Level
ELT	English language training
EOC	Enterprise Operations Committee

F

FCO	Fraud Control Office
FOI	Freedom of Information
FWC	Fair Work Commission

G

GEAP	Gender Equality Action Plan 2017–20
GLS	Green lease schedule

H

HACTG	Home Affairs Counter-Terrorism Group
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I

ICT	Information and communications technology
IDF	Immigration detention facility
IFA	Individual flexibility arrangement
IISC	Intelligence and Identity Steering Committee
IMA	Illegal maritime arrival

IOM	International Organization for Migration
I&PS	Integrity and Professional Standards Branch
IPS	Information Publication Scheme
IRSC	Information Reform Steering Committee

K

KPI	Key performance indicator
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L

LGBTI	Lesbian, gay, bisexual, transgender or intersex
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M

MBC	Maritime Border Command
MoU	Memorandum of Understanding

N

NAATI	National Accreditation Authority for Translators and Interpreters
NABERS	National Australian Built Environment Rating System
NAIDOC	National Aborigines and Islanders Day Observance Committee
NCTF	National Committee on Trade Facilitation
NSC	National Security College

O

OAIC	Office of the Australian Information Commissioner
OCO	Oceania Customs Organisation
OMARA	Office of the Migration Agents Registration Authority
ORG	Operational Requirements Group
OTCG	Operational Tasking and Coordination Group

P

PBS	Portfolio Budget Statements
PAES	Portfolio Additional Estimates Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PIA	Protected industrial action
PISC	People and Integrity Steering Committee
PNG	Papua New Guinea
PNR	Passenger name records
PSM	Public Service Medal
PSPF	Protective Security Policy Framework
PSS	Public Sector Superannuation Scheme
PUE	Power usage effectiveness

R

ReCAAP	The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia
RPC	Regional processing centre
RSC	Risk Steering Committee

S

SAP	Strategic Assurance Programme
SCG	Strategic Command Group
SCV	Special Category (subclass 444) visa
SDP	Service delivery partner
SES	Senior Executive Service
SLAs	Service level agreements
SMEs	Small and medium enterprises
SPM	Strategic performance measure
SRSC	Status Resolution Steering Committee
SSVF	Simplified student visa framework

T

TESC	Technology and Enabling Steering Committee
TEU	Twenty-foot equivalent unit (cargo capacity measurement)
TIS	Translating and Interpreting Service
TMAC	Talent Management Advisory Committee
TRS	Tourist Refund Scheme
TSOC	Transnational, serious and organised crime

U

UNHCR	United Nations High Commissioner for Refugees
-------	---

V

VCSC	Visa and Citizenship Steering Committee
VEVO	Visa Entitlement Verification Online

W

WCO	World Customs Organization
WHS	Work health and safety

Glossary

Term	Definition
A	
APEC (Asia-Pacific Economic Cooperation) Business Travel Card	Allows business travellers who are citizens of APEC member countries faster and easier entry to these countries.
APS Values	Articulate the parliament's expectations of public servants in terms of performance and standards of behaviour.
APS Integrated Leadership System	Tools and guidance for individuals and agencies to chart leadership development at all levels of the APS.
APSC Indigenous Mentoring Program	A program run by the APSC to further develop Indigenous APS and Commonwealth employees.
Assisted voluntary return	A service delivered in partnership with the International Organization for Migration to provide immigration advice, counselling and financial support for clients who wish to return home but require some level of support to do so, thus avoiding the need to detain and enforce removal.
Association of Southeast Asian Nations (ASEAN)	The regional grouping that promotes economic, political, and security cooperation among its ten members. Established on 8 August 1967
Asylum seeker	Person claiming protection. As a party to the 1951 Convention Relating to the Status of Refugees and its 1967 Protocol, Australia is committed to providing protection consistent with the obligations set out in the convention and other relevant international treaties to which Australia is a party.
<i>Australian Human Rights Commission Act 1986</i>	The Act that establishes the Australian Human Rights Commission to ensure compliance with international covenants, declarations or other instruments pertaining to human rights to which Australia is a signatory.
AusTender	Australian Government's tendering system.
Australian Centre to Counter Child Exploitation (ACCCE)	Led by the Australian Federal Police, this centre coordinates with state police forces and international counterparts, such as the United States Centre for Missing and Exploited Children. The ACCCE includes members of the financial intelligence agency AusTrac and the Australian Criminal Intelligence Commission.
Australian Cyber Security Centre (ACSC)	The Australian Cyber Security Centre is the Australian Government's lead on national cyber security. It brings together cyber security capabilities from across the Australian Government to improve the cyber resilience of the Australian community and support the economic and social prosperity of Australia in the digital age.

Term	Definition
Australia-Indonesia Ministerial Council on Law and Security	The Australia-Indonesia Ministerial Council on Law and Security extends and completes the existing bilateral architecture and is the primary forum to discuss matters of domestic law and security, particularly counter terrorism.
Australian Industry Participation plans	<p>The plan requirements are applied to:</p> <ul style="list-style-type: none"> » major public and private projects with capital expenditure of \$500 million or more » Australian Government procurements of \$20 million or more » Australian Government grants of \$20 million or more » Australian Government payments of \$20 million or more to state and territory governments for large infrastructure projects » investments from the Clean Energy Finance Corporation and Northern Australia Infrastructure Facility of \$20 million or more
Australia-New Zealand Counter-Terrorism Committee (ANZCTC)	In September 2012, the Commonwealth, State and Territory governments entered into a formal agreement to establish New Zealand as a member of the renamed Australia-New Zealand Counter-Terrorism Committee (ANZCTC). The purpose of the change was to ensure the closest possible coordination and cooperation on counter-terrorism matters.
<i>Australia's Strategy for Protecting Crowded Places from Terrorism</i>	The objective of this strategy is to protect the lives of people working in, using, and visiting crowded places by making these places more resilient to terrorism. Australian governments work with the private sector to protect crowded places. These partnerships give owners and operators access to better threat and protective security information. By accessing this information, owners and operators will be in a better position to protect their crowded places against terrorism.
Australian Trusted Trader	A voluntary trade facilitation initiative open to all eligible Australian businesses active in the international trade supply chain.
B	
Bali Process	The Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime, the multilateral forum to raise regional awareness of people smuggling, trafficking in people and related transnational crime.
Border continuum	The Department's approach which views the Australian border as a continuum that includes its overseas, maritime, physical and domestic dimensions.

Term	Definition
Border Control Agency Management Program	An Australian Government sponsored program to train migration officers from the Mekong region to facilitate the movement of regular travellers and act against people smuggling and human trafficking.
BVA: Bridging visa A (subclass 010)	A temporary visa granted when an application is lodged in Australia for a new substantive visa while you still hold a current substantive visa. It allows you to remain lawfully in Australia after your current substantive visa ends and while your new substantive visa application is being processed. A substantive visa is any visa which is not a bridging visa or a criminal justice visa or an enforcement visa. A BVA allows you to remain lawfully in Australia until a decision is made on your substantive visa application.
BE: Bridging visa E (subclass 050-051)	A temporary visa that allows non-citizens to stay in Australia lawfully while they make arrangements to leave, finalise their immigration matter or are waiting for an immigration decision.
C	
Capability Lifecycle Management Model	An enterprise level methodology to effectively manage the seven distinct phases of the capability lifecycle, including strategy; planning; approval; delivery and acquisition; operation; sustainment; and disposal of capability.
Capability reviews	Baseline review, framework and development review, delivery and management (operation and sustainment) reviews.
<i>Channel Strategy 2017–20</i>	This strategy was developed after extensive consultation across the Department and provides the enterprise-wide approach to the Department's channels. It sets a vision for how we will develop seamless interaction across the Department's four client-facing channels.
Child Protection Panel	Provides independent advice on issues pertaining to the wellbeing and protection of children in immigration detention and in regional processing centres.
Child safeguarding framework	Outlines the principles, policies and procedures for staff and contracted service providers to safeguard the children who receive its services. The development of this framework has been a focus of the independent Child Protection Panel.
Critical Infrastructure Centre	Provides security advice regarding services that are essential for everyday life such as energy, food, water, transport, communications, health and banking and finance. The Centre helps owners and operators to better understand and manage risk, and build resilience.
Cocaine	Addictive illicit drug derived from coca or prepared synthetically.
Comcare	The statutory authority that administers the Commonwealth's workers' compensation scheme.

Term	Definition
Commercial Building Disclosure Program	Developed by the Department of Environment and Energy, it requires sellers and lessors of large office spaces to provide energy efficiency information to prospective buyers and tenants.
Commercial data centre	A facility used to house computer systems and associated components, such as telecommunications and storage systems.
Commonwealth Fraud Control Policy	Supports accountable authorities of non-corporate Commonwealth entities to effectively discharge their responsibilities under the <i>Public Governance, Performance and Accountability Act 2013</i> and section 10 of the <i>Public Governance, Performance and Accountability Rule 2014</i> .
Commonwealth Grant Rules and Guidelines	The Australian Government grants policy framework applies to all non-corporate Commonwealth entities subject to the <i>Public Governance, Performance and Accountability Act 2013</i> .
Community detention	An alternative term for ‘residence determination’. This allows a person who is to be taken into immigration detention or who is in immigration detention to live in the community at a specified address and in accordance with certain conditions. Under the <i>Migration Act 1958</i> , the Minister has a non-compellable, non-delegable power to make, vary or revoke a residence determination if it is thought to be in the public interest.
Community Support Program	From 1 July 2017, the establishment of 1000 places by which communities and businesses can sponsor humanitarian visa applicants and support new arrivals.
Comptroller-General of Customs	The officer responsible for enforcing customs law and the collection of border-related revenue.
Conference of Asia Pacific Express Carriers	An organisation that represents the world’s leading integrated express delivery service companies.
Contestability Program	The Contestability Program is the mechanism through which the Australian Government is assessing its functions to determine if performance can be improved through alternate structures, processes or provider arrangements.
Corporate Plan	The corporate plan of an entity is the primary planning document for that entity and must address the following matters: introduction, purpose, environment, performance, capability and risk oversight and management of the entity.
<i>Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014</i>	An Act to amend the law relating to counter-terrorism and other matters, and for related purposes.
Customs Brokers and Forwarders Council of Australia	A peak industry body representing the interests of members of the international trade, logistic and supply chain management service industry.

Term	Definition
Cyber-resilience	Cyber resilience refers to an entity's ability to continuously deliver the intended outcome despite adverse cyber events.
D	
Digital transformation agenda	The Digital Transformation Agenda helps the Australian Government promote digital transformation and achieve its vision for government services.
Disability	A circumstance recognised under the <i>Disability Discrimination Act 1992</i> , which aims to eliminate, as far as possible, discrimination against people on the ground of disability. The Act aims to ensure, as far as practicable, that people with disabilities have the same rights to equality before the law as the rest of the community, and to promote recognition and acceptance of that principle in the community.
Displaced populations	Groups of people who leave their homes, usually because of a natural, technological or deliberate event, such as an earthquake, flood, threat or conflict.
Diversity Framework	The Department's diversity framework is informed by whole-of-Australian Public Service strategies. The documents that constitute the framework include the <i>Gender Equality Action Plan 2017-20</i> , <i>Disability Action Plan 2016-20</i> and <i>Reconciliation Action Plan</i> and the <i>Statement of Commitment</i> .
E	
Education Visa Consultative Committee	A stakeholder forum that discusses immigration issues relevant to the education industry.
eLearning	Learning conducted via electronic media, typically online.
Energy Efficiency in Government Operations	Policy that aims to reduce the energy consumption of Australian Government operations, with particular emphasis on building energy efficiency.
Environmental management system	A structured system or management tool designed to help an organisation reduce its negative impacts on the environment and improve its environmental performance.
<i>Environment Protection and Biodiversity Conservation Act 1999</i>	The Australian Government's central piece of environmental legislation, providing a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places defined in the Act as matters of national environmental significance.
ePassport	Passport with an embedded chip.
examination	Examination of cargo by an ABF officer.

Term	Definition
Exclusive Economic Zone (EEZ)	The area beyond and adjacent to Australia's territorial sea, the outer limit of which does not extend beyond 200 nautical miles from the baseline. It covers 8.2 million square kilometres located off Australia and its offshore territories and 2 million square kilometres off the Australian Antarctic Territory.
F	
Family migration program	One of the main components of Australia's Migration Program. It has four main categories—partner, child, parent and other family visa categories.
Fraud and Corruption Control Plan	The Departments strategy for managing fraud and corruption.
<i>Freedom of Information Act 1982</i>	An Act that gives members of the public right of access to official documents of the Commonwealth Government and its agencies.
G	
GrantConnect	Grantconnect provides centralised publication of forecast and current Australian Government grant opportunities and grants awarded.
Green lease schedule	A formal commitment to energy efficiency developed by the Department of Environment and Energy to reduce energy consumption by Australia Government operations.
H	
Harmony Day	A celebration of Australia's cultural diversity, held yearly on 21 March. It coincides with the United Nations International Day for the Elimination of Racial Discrimination.
Humanitarian Program	Australia's Humanitarian Program comprises the offshore resettlement and onshore protection components.
<i>Home Affairs and Integrity Agencies Legislation Amendment Act 2018</i>	An Act to deal with consequential matters arising from the establishment of the Home Affairs portfolio, and for related purposes.
I	
Indigenous Apprenticeships Program	The Indigenous Apprenticeships Program is a pathway for Aboriginal and Torres Strait Islander peoples to start their career in the Australian Public Service.
Illegal maritime arrival (IMA)	'Illegal' refers to the mode of entry of persons who enter Australia by boat without a valid visa. Asylum seekers and migrants who are smuggled to Australia may breach border controls and domestic laws in entering and seeking protection in Australia. The <i>Migration Act 1958</i> refers to 'unauthorised arrivals' but in this report the term used is 'illegal maritime arrivals'.

Term	Definition
Illegal worker warning notice	A written warning issued when an officer has reason to believe that a person has contravened a work-related provision.
ImmiAccount	Single entry point for individuals, registered migration agents, service delivery partners, business and stakeholders to access the Department's online services.
ImmiCard	The ImmiCard is an official Commencement of Identity document that can be used as an alternative to a passport for people who cannot use, or do not have, and cannot obtain one.
Immigration Reform Program	The Department's three key elements of Immigration Reform: Reforming the policy framework, reforming the visa service delivery and improving our identity, risk and intelligence capabilities.
Industry Summit	Annual forum hosted by the Department where industry and the Department can discuss strategic travel, trade and migration issues.
inspection	May include use of non-intrusive examination through X-ray technology (static or mobile), trace particle detection, detector dogs or physical examination of cargo.
Intelligence-informed approach	A procedure that ensures that strategic and operational decision-making is based on intelligence information.
Intergenerational Action Plan	The Department is currently developing an Intergenerational Action Plan which will be soon available.
International Capacity Building Program	A scheme to develop and strengthen the skills, abilities, processes and resources of international organisations and communities.
International Day of People with Disability	A United Nations-sanctioned event that aims to increase public awareness, understanding and acceptance of people with disabilities and to celebrate their achievements and contributions.
International Women's Day	A commemoration held on March 8 each year.
intervention	Processes to prevent the import or export of prohibited items and to control the movement of restricted items.
K	
Key performance indicator	Quantitative or qualitative variable used to chart progress and measure actual results as compared with expected results.

Term	Definition
L	
<i>Law Enforcement Integrity Commissioner Act 2006</i>	This Act operates to facilitate the detection of corrupt conduct in law enforcement agencies and the investigation of corruption issues that relate to law enforcement agencies.
<i>Leadership Strategic Plan 2016–2020</i>	The <i>Leadership Strategic Plan 2016–2020</i> articulates the Department's leadership philosophy and identifies the leadership desired. This strategy demonstrates the department's commitment to the continuous development of its senior leaders and is critical to achieving its mission and vision. The Strategy draws its core leadership principles from the APS Values, APS work level standards, the APS Integrated Leadership System and the Department's values and behaviours.
Learning Management System	Learning Management Systems are typically online-focused applications for the administration, documentation, tracking, reporting and delivery of educational courses. Much of the Department's mandatory on-boarding educational programs are delivered this way.
Legacy caseload	The Department's term to describe the cohort of illegal maritime arrivals (IMAs).
<i>Legal Services Directions 2017</i>	The <i>Legal Services Directions 2017</i> is a legislative instrument made under the <i>Judiciary Act 1903</i> . It prescribes the way in which legal services are provided to the Department, both internally and externally.
<i>LGBTI Action Plan</i>	The Department's Lesbian, Gay Bisexual, Transgender and Intersex action plan.
LGBTI Network	A departmental network that supports a safe and supportive workplace for all lesbian, gay, bisexual, transgender and intersex (LGBTI) people.
M	
Megajoules	A unit of measurement, a megajoule (MJ) is equal to one million joules, or approximately the kinetic energy of a one megagram (tonne) vehicle moving at 160 km/h.
<i>Maritime Powers Act 2012</i>	An Act that establishes a framework for the exercise of maritime enforcement powers.
<i>Migration Act 1958</i>	The principal legislation that regulates travel to Australia and the stay of non-citizens.
Migration Program planning levels	The Migration Program is designed to achieve a range of economic and social outcomes. The number of places available through the programme is set annually in response to Australia's needs.

Term	Definition
Migration Program	The annual planned permanent intake determined by the Australian Government in a budgetary context which governs the number of visas granted for permanent entry from offshore and for permanent resident status onshore. It does not include New Zealand citizens intending to settle permanently in Australia.
N	
NAIDOC Week	NAIDOC (National Aboriginal and Islander Day Observance Committee) Week is a celebration of the history, culture and achievements of Aboriginal and Torres Strait Islander peoples.
National Australia Built Environment Rating System (NABERS)	A national rating system that measures the environmental performance of Australian buildings.
National Facial Biometric Matching Capability	A scheme by which Commonwealth and state agencies will be able to use the new face matching services to access passport, visa, citizenship and driver license images while maintaining robust privacy safeguards.
National Committee on Trade Facilitation	A forum for the discussion of matters affecting Australian industry stakeholders in international trade.
National Counter Foreign Interference Coordinator	The National Counter Foreign Interference Coordinator leads the development and implementation of a whole of government Strategy and is a focal point for engagement with diaspora communities and sectors vulnerable to foreign interference.
National Security Hotline	The National Security Hotline is a portal to report suspicious activity, administered by the Attorney General's Department.
National Sea Passenger Facilitation Committee	A body to explore ideas and develop and implement initiatives to improve international sea passenger movements and other aspects of international cruise vessel visits, while maintaining or enhancing Australia's border protection capability.
New Zealand Customs Service	The government agency entrusted with ensuring the security of the New Zealand border.
O	
<i>Ocean Shield</i>	The largest ship in the ABF fleet. It patrols in northern waters and the Southern Ocean.
Oceania Customs Organisation	The Oceania Customs Organisation (OCO) Secretariat exists to help customs administrations comply with international standards and best practice, increasing economic prosperity and border security.

Term	Definition
Office of the Migration Agents Registration Authority	An office within DIBP that regulates the migration advice industry to provide appropriate protection and assurance to people using migration advice services.
Online lodgement	A method which allows applications to be completed and submitted on the internet.
Onshore and offshore	Unless otherwise indicated, 'onshore' and 'offshore' refer to the location of the person at the time of applying for a visa or visa grant.
Operation Arête	Operation Arête is an enduring operation that builds upon on our current work to strengthen our integrity framework and embed a positive integrity culture within the Department.
Operation Sovereign Borders	Operation Sovereign Borders is a military-led, whole-of-government border security operation to combat maritime people smuggling.
P	
Pacific Immigration Directors' Conference	A forum for official immigration agencies in the Pacific region.
Partner and prospective marriage visa	The Prospective Marriage (subclass 300) visa allows individuals to come to Australia to marry their prospective wife or husband.
Passenger name records	Information on people taking or proposing to take international passenger flights into and out of Australia.
Patrols (CTU)	Overt and covert activity by Counter Terrorism Unit (CTU) officers in airport precincts to detect, deter and disrupt terrorist-related activity.
<i>People Strategy 2020</i>	The Department's overarching vision for its people. It sets the tone for the organisational culture.
Planning level	The Australian Government's annual planning levels set by visa category under the permanent Migration Program and the Humanitarian Program. Planning levels are ceilings, not targets.
Portfolio Budget Statements	Documents that inform parliamentarians and the public of the proposed allocation of resources to achieve government outcomes.
Power usage effectiveness	A measure of how efficiently a computer data centre uses energy; specifically, how much energy is used by the computing equipment (in contrast to cooling and other overheads).
Priority processing direction	The order in which the Department considers permanent skilled migration applications.

Term	Definition
<i>Public Governance, Performance and Accountability Act 2013 (PGPA Act)</i>	An Act about the governance, performance and accountability of, and the use and management of public resources by the Commonwealth, Commonwealth entities and Commonwealth companies, and for related purposes.
<i>Public Service Act 1999</i>	The principal Act governing the operation of the Australian Public Service.
R	
RAND Corporation	American-based research organisation that develops public policy.
<i>Reconciliation Action Plan</i>	Reconciliation Action Plans provide organisations with a structured approach to advance reconciliation. The departmental reconciliation Action Plan 2018-2020 is currently under development.
RecruitAbility	An Australian Public Service scheme to attract and develop applicants with disabilities and to facilitate cultural changes in selection panels and agency recruitment.
Refugee and Humanitarian Assistance Program	The Refugee and Humanitarian Assistance Program is designed to ensure that Australia can respond effectively to global humanitarian needs and have support services available to meet the specific needs of people entering under the program.
Refugee	A person recognised as needing protection under the 1951 United Nations Convention Relating to the Status of Refugees.
Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia	The first regional government-to-government agreement to promote and enhance cooperation against piracy and armed robbery in Asia.
Regional processing country	A country designated by the minister under subsection 198AB(1) of the <i>Migration Act 1958</i> as a regional processing country.
S	
Safe Haven Enterprise (subclass 790) visa (SHEV)	A five-year temporary protection visa granted to those who arrive unlawfully in Australia and are found to engage Australia's protection obligations. In some instances it can lead to a permanent visa pathway (not a permanent Protection visa).
<i>Security of Critical Infrastructure Act 2018</i>	This Act was passed to create a framework for managing critical infrastructure and for related purposes.
Simplified student visa framework	A framework designed to simplify visa applications for genuine students.

Term	Definition
Shipping Australia Limited	Australian company that promotes and advances the interests of shipowners and shipping agents in all matters of shipping policy, environmentally sustainable practices and safe ship operations.
Skilled Independent Visa	The Skilled Independent (subclass 189) visa is available to points-tested skilled workers who are not sponsored by an employer or family member.
Skill stream	Categories of the Migration Program where core eligibility criteria are based on the applicant's employability or capacity to invest and/or do business in Australia. Accompanying immediate family members of principal applicants are also counted as part of the Skill stream.
SmartGate	Automated border processing system.
Special Category Visa	The Special Category (subclass 444) visa allows New Zealand citizens to visit, study, stay and work in Australia.
Special Eligibility stream	A subset of the Migration Programme that provides for the migration of former residents of Australia.
Special Humanitarian Program (SHP)	A stream within the offshore Humanitarian Program that allows people who face human rights abuse in their home country and have a connection to the Australian community to settle permanently in Australia.
Special Investigations Unit	A unit within the Integrity and Professional Standards Branch that conducts specialised criminal investigations.
Status Resolution Steering Committee	The Status Resolution Steering Committee (SRSC) was primarily responsible for forward-looking, strategically aligned, consistent and enhanced coordination of operations to protect the community and resolve status resolution matters.
Statutory	Of, relating to, or of the nature of a statute (an enactment made by a legislature and expressed in a formal document). For example, a statutory process would be a process that is prescribed or authorised by statute.
Strategic performance measure	Strategic performance measures (SPM) form part of the Department's performance framework. Each SPM represents one of the Department's purposes in a measureable and detailed form.
<i>Strategy 2020</i>	The Department's tier-one strategy document, focused on the long term, that guides the Department in fulfilling its mission and vision articulates strategic objectives and responses.
Student	A holder of a student visa (subclasses 570-576).

Term	Definition
T	
Tariff classification	Goods imported into Australia require classification under the <i>Customs Tariff Act 1995</i> .
<i>Telecommunications and Other Legislation Amendment Act 2017</i>	The purpose of the new legislation is to enhance the security of critical telecommunications infrastructure. This will require telecommunications companies to take into account a range of security risk factors when making investment decisions to protect broader national security interests (that is, espionage, sabotage and foreign interference).
Temporary Protection (subclass 785) visa	A temporary protection visa offered to those who have arrived in Australia illegally.
Temporary visas or temporary entry visas	Visas that provide for the temporary entry of people from overseas for purposes that benefit Australia, such as tourism, study, work or other activities. From 2014–15 this definition was expanded to include Special Category (subclass 444) visas provided to New Zealanders when they enter Australia.
Temporary Skill Shortage (TSS) (subclass 482) visa	Replaced to Temporary Work (Skilled) (subclass 457) visa to help businesses meet genuine skill shortages.
Temporary Work (Skilled) (subclass 457) visa	A repealed visa that allowed a skilled worker travel to Australia to work in their nominated occupation for their approved sponsor for up to four years. Replaced by the TSS visa.
TIS National	Provides interpreting services in more than 160 languages and dialects for people who do not speak English and for organisations that need to communicate with non-English-speaking clients.
TIS Online	An online self-help service that provides better access for non-English speakers, reduces the cost of providing key government services, and adopts digital-first strategies to serve real-time community needs.
Transferee	An IMA transferred to an offshore processing centre in an offshore regional processing country.
Transport Security Guidance Centre	The Guidance Centre was stood up in early 2017 and has since been acting as the main avenue of communication between transport security stakeholders and the Office of Transport Security.
Twenty foot equivalent units (TEU)	A unit of cargo capacity, based on the volume of a 20-foot-long (6.1m) intermodal container.

Term	Definition
U	
Unaccompanied Humanitarian Minors Program	A program that facilitates the provision of relevant care, supervision and support services to minors on certain visas who are in Australia without a parent or legal guardian, who fall under the auspices of the <i>Immigration (Guardianship of Children) Act 1946 (IGOC Act)</i> , and for whom the Minister for Home Affairs is the legal guardian.
Unaccompanied minor	A person under 18 years of age who arrives in Australia without a natural parent, or relative 21 years or older.
V	
Visa and Citizenship Operating Model 2020 Strategy	integrated set of short and medium-term initiatives that will form a program of work known as the Visa and Citizenship Operating Model (VCOM2020).
Visa entitlement verification online (VEVO)	A departmental online service to check visa details and decisions.
W	
Woman at Risk (subclass 204) visa	A visa for female applicants and their dependants who are subject to persecution or who are of concern to the UNHCR, are living outside their home country without the protection of a male relative and are in danger of victimisation, harassment or serious abuse because of their gender.
<i>Work Health and Safety Act (Cth) 2011</i>	An Act to secure the health and safety of persons at work.
Working holiday makers	A collective term referring to those holding Working Holiday (subclass 417) visas and Work and Holiday (subclass 462) visas.

PGPA Rule list of requirements

PGPA Rule Reference	Description	Requirement	Page
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	vi
17AD (h)	Aids to access		
17AJ(a)	Table of contents.	Mandatory	vii-viii
17AJ(b)	Alphabetical index.	Mandatory	272-283
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	252-265
17AJ(d)	List of requirements.	Mandatory	266-271
17AJ(e)	Details of contact officer.	Mandatory	ii
17AJ(f)	Entity's website address.	Mandatory	ii
17AJ(g)	Electronic address of report.	Mandatory	ii
17AD(a)	Review by the accountable authority		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	14-17
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	18
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	20
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	38
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	38
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments – Mandatory	12-13
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory.	n/a

PGPA Rule Reference	Description	Requirement	Page
17AD(c)	Report on the performance of the entity		
Annual performance statements			
17AD(c)(i): 16F	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	35-94
17AD(c)(ii)	Report on financial performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	101-104
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	101-104, 224-234
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory	101-104, 224-234
17AD(d)	Management and accountability		
Corporate governance			
17AG(2)(a)	Information on compliance with section 10 (fraud systems).	Mandatory	vi
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	vi
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	vi
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	vi
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	174-179
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory.	182

PGPA Rule Reference	Description	Requirement	Page
External scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	183-186
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	183-186
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	183-189
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	182
Management of human resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	183-186
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> » Statistics on staffing classification level; » Statistics on full-time employees; » Statistics on part-time employees; » Statistics on gender; » Statistics on staff location; » Statistics on employees who identify as Indigenous. 	Mandatory	197-207
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	203-207
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	204-207
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	235-238
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	207
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	207

PGPA Rule Reference	Description	Requirement	Page
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	206-207
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	206-207
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, Mandatory	206-207
Assets management			
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, Mandatory	214
Purchasing			
17AG(6)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	211-213
Consultants			
17AG(7)(a)	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	212
17AG(7)(b)	A statement that “During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”.	Mandatory	212
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	211
17AG(7)(d)	A statement that “Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.”	Mandatory	212

PGPA Rule Reference	Description	Requirement	Page
Australian National Audit Office access clauses			
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	n/a
Exempt contracts			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	n/a
Small business			
17AG(10)(a)	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory	211-212
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	211-212
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that "[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."	Mandatory	211-212
Financial statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	111-170

PGPA Rule Reference	Description	Requirement	Page
17AD(f)	Other mandatory information		
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that "During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."	If applicable, Mandatory	212-213
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	n/a
17AH(1)(b)	A statement that "Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity's website]."	If applicable, Mandatory	214
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	202
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	242
17AH(1)(e)	Correction of material errors in previous annual report.	If applicable, Mandatory	223
17AH(2)	Information required by other legislation.	Mandatory	208-210, 240

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