



Australian Government

Department of Immigration
and Border Protection

Annual Report

2016–17

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Online versions of the annual report are available on the Department's website at:

www.border.gov.au/about/reports-publications/reports/annual

ISSN 2205-2070 (print)

ISSN 2205-2089 (online)



Australian Government
Department of Immigration
and Border Protection

The Hon Peter Dutton MP
Minister for Immigration and Border Protection
Parliament House
Canberra ACT 2600

Dear Minister

We are pleased to present the *Department of Immigration and Border Protection Annual Report 2016–17* for the reporting period ending 30 June 2017, 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 control and anti-corruption 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 2014*.

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
18 September 2017

Handwritten signature of Michael Outram in black ink.

Michael Outram APM
A/g Australian Border Force Commissioner
19 September 2017

Contents

Letter of transmittal	iii
Reader's guide	x
PART 1: Overview	2
Secretary's and Commissioner's review	2
About the Department	10
Organisational structure	12
Legislation	19
PART 2: Annual performance statements	26
Statement by the accountable authority	26
Purpose 1: Manage the movement of people and goods to contribute to a strong economy	26
SPM 1.1 Australia's visa programmes are responsive to the needs of the economy	30
SPM 1.2 The collection of border revenue is managed and enhanced	38
SPM 1.3 Seamless border management facilitates the flow of legitimate travellers and goods	44
SPM 1.4 Effective partnerships both within and outside Australia build a strong economy	52
Purpose 2: Manage the movement and stay of people to contribute to a cohesive society	58
SPM 2.1 Australia's visa programmes provide a strong foundation for social cohesion	60
SPM 2.2 Australian citizenship is valued	66
SPM 2.3 Australia contributes to the global management of refugees and displaced populations	72
SPM 2.4 The integrity of visa programmes is strengthened by effective regulatory and enforcement activities	78

Purpose 3:	Manage the border to contribute to a safer, secure Australia	86
SPM 3.1	Threats are detected before, at and after the border	88
SPM 3.2	The border is strengthened through the control and surveillance of the maritime domain	98
SPM 3.3	Collaboration with partners within and outside Australia improves border security	104
PART 3:	Report on financial performance	116
PART 4:	Financial statements	121
	Independent auditor's report	122
	Statement by the Secretary and Chief Finance Officer	126
	Financial statements	128
	Notes to and forming part of the financial statements	140
PART 5:	Management and accountability	196
	Corporate governance	197
	External scrutiny	209
	Client service	218
	Human resources management	225
	Work health and safety	238
	Procurement, services, assets and grants	242
	Ecologically sustainable development and environmental performance	248

PART 6: Appendices	254
Appendix A: Years at a Glance	254
Appendix B: Correction of material errors	258
Appendix C: Report on financial performance	264
Appendix D: Salary and classification rates	272
Appendix E: Administration of the Office of the Migration Agents Registration Authority	276
Appendix F: Information Publication Scheme	279
PART 7: Reference material	282
Abbreviations and acronyms	282
Glossary	288
List of requirements	300
Index	306

Figures

Figure 1:	Organisational structure at 30 June 2017	12
Figure 2:	Office and post locations at 30 June 2017	20
Figure 3:	Outcome and programme structure 2016–17	23
Figure 4:	Purpose 1 performance snapshot	29
Figure 5:	Purpose 2 Performance snapshot	59
Figure 6:	Purpose 3 Performance snapshot	87
Figure 7:	Senior governance bodies for 2016–17	202
Figure 8:	Senior Executive Service headcount by gender	227
Figure 9:	Staffing headcount by location 30 June 2017	227
Figure 10:	Experience of registered migrant agents at 30 June 2017	277

Tables

Table 1:	Purpose 1 performance criteria	27
Table 2:	SPM 1.1 – Australia’s visa programmes are responsive to the needs of the economy	33
Table 3:	SPM 1.2 – The collection of border revenue is managed and enhanced	40
Table 4:	SPM 1.3 – Seamless border management facilitates the flow of legitimate traveller and goods	46
Table 5:	SPM 1.4 – Effective partnerships within and outside Australia builds a strong economy	54
Table 6:	Purpose 2 performance criteria	58
Table 7:	SPM 2.1 – Australia’s visa programmes provide a strong foundation for social cohesion	63
Table 8:	SPM 2.2 – Australian citizenship is valued	68
Table 9:	SPM 2.3 – Australian contributes to the global management of refugees and displaced populations	75
Table 10:	SPM 2.4 – The integrity of visa programmes is strengthened by effective regulatory and enforcement activities	81
Table 11:	Purpose 3 performance criteria	86
Table 12:	SPM 3.1 – Threats are detected before, at and after the border	92
Table 13:	SPM 3.2 – The border is strengthened through the control and surveillance of the maritime domain	100
Table 14:	SPM 3.3 – Collaboration with partners within and outside Australia improves border security	109
Table 15:	Reports from parliamentary committees 2016–17	215
Table 16:	Sydney Service Centre performance	222
Table 17:	Staffing headcount by actual classification	226
Table 18:	Salary ranges for staff at 30 June 2017	234
Table 19:	Number of departmental employees on subsection 24 (1) Determinations or IFAs at 30 June 2017	235

Table 20:	Performance pay outcomes 2016–17 (Australian Customs and Border Protection Service Enterprise Agreement 2011–2014)	237
Table 21:	WHS outcomes	239
Table 22:	Three-year summary of mechanism of injury for accepted claims	240
Table 23:	Incidents notified to Comcare under sections 35, 36 and 37 of the <i>Work Health and Safety Act 2011</i>	241
Table 24:	Advertising and market research expenditure	244
Table 25:	Legal services expenditure	245
Table 26:	The Department's energy performance against EEGO policy intensity target	251
Table 27:	Years at a Glance	254
Table 28:	Correctional errors for Annual Report 2015–16: Outcome 1 financial resources summary for 2015–16 (Table 12 Page 98 Annual Report 2015–16)	259
Table 29:	Correctional errors for Annual Report 2015–16: Outcome 2 financial resources summary for 2015–16 (Table 13 Page 100 Annual Report 2015–16)	261
Table 30:	Correctional errors for Annual Report 2015–16: Outcome 3 financial resources summary for 2015–16 (Table 14 Page 102 Annual Report 2015–16)	262
Table 31:	Salary and classification rates – Indigenous cadets and graduates	272
Table 32:	Salary and classification rates – APS level staff	273
Table 33:	Salary and classification rates – Executive Level Staff	274
Table 34:	Salary and classification rates – Legal Officers	274
Table 35:	Salary and classification rates – Public Affairs Officer	275
Table 36:	Salary and classification rates – Medical officers	275
Table 37:	Experience of registered migration agents at 30 June 2017	276

Reader's guide

This is the Annual Report from the Secretary of the Department of Immigration and Border Protection and the Commissioner of the Australian Border Force (ABF) to the Minister for Immigration and Border Protection for the financial year ended 30 June 2017. The report reviews the purposes and outcomes of the Department and the ABF, collectively referred to as either the Department or DIBP within this report.

Report Structure

The structure of this report differs from reports of previous years. The Government's Public Management Reform Agenda seeks to improve the quality of Commonwealth entities' corporate planning and performance management. To effect this change, 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 report is divided into seven parts:

PART 1: Overview

This part contains a review of the year by the Secretary of the Department of Immigration and Border Protection and the Commissioner of the Australian Border Force, including significant achievements, developments, performance and financial performance. This part also provides an overview of the Department, its role, functions, organisational structure, and outcome and programme structure.

PART 2: Annual performance statements

This part reports on the Department's results against performance criteria as outlined in the *Corporate Plan 2016–17, Portfolio Budget Statements 2016–17 and Portfolio Additional Estimate Statements 2016–17* and provides an analysis of the factors that contributed to its performance.

PARTS 3 and 4: Report on financial performance and financial statements

These parts contain a discussion and analysis of the Department's financial performance, audited financial statements and a report by the Auditor-General.

**PART 5:
Management and
accountability**

This part 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, small business, procurement initiatives, client services, advertising and market research, ecologically sustainable development and environmental performance, and grants programmes.

**PART 6:
Appendices**

This part provides supplementary information such as the Years at a Glance statistical table, corrected material errors from the 2015–16 Annual Report, tables relating to the report on financial performance section, and information on the operation of the Office of the Migration Agents Registration Authority (OMARA) and the Information Publication Scheme.

**PART 7:
Reference material**

This part 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.

Overview

PART 1

SECRETARY'S AND COMMISSIONER'S REVIEW	2
ABOUT THE DEPARTMENT	10
ORGANISATIONAL STRUCTURE	12
LEGISLATION	19

PART 1: Overview

SECRETARY'S AND COMMISSIONER'S REVIEW

This annual report marks two years since the integration of the former Australian Customs and Border Protection Service and the Department of Immigration and Border Protection (the Department), and the standing up of its operational arm, the Australian Border Force (ABF).

Integration occurred against a complex backdrop, where the confluence of a volatile threat environment with both enduring and emerging threats, and ever-increasing volumes of trade and travellers within the Immigration and Customs domains necessitated a program of modernisation and reform.

As we move into a new era for border protection in Australia, we have developed the capabilities to more effectively manage the rising tide of complex threats in the border environment. Our secure trade and migration programs are built on the foundation of a secure border. We can have both and we must

have both—there can be no separation between the two.

The Department continues to work towards a seamless border—where the majority of legitimate migrants, travellers and trade can move easily and effortlessly across the border without interference or unnecessary delay, while our officers focus their attention on the non-compliant few. This requires an intelligence-informed, risk-based approach to managing the border to provide a greater focus on unknown or high-risk entities.

In the 2016–17 year, we granted more than 8.4 million temporary visas—an 8.7 per cent increase on the

previous financial year. We received a record 201,250 applications for Australian citizenship by conferral, and conferred Australian citizenship on 137,750 people. We also delivered 183,608 places through our Migration Programme. The ABF processed more than 43 million air and sea travellers. We received and risk assessed more than 42 million air cargo consignments, three million sea cargo consignments, and inspected more than 58 million international mail items. This resulted in 1709 detections of undeclared firearms, parts and accessories and more than seven tonnes of major illicit drugs and precursors. The Tobacco Strike Team

continued to disrupt imports of illicit tobacco by organised crime syndicates and those attempting to evade import duties, detecting in excess of 123 million individual cigarettes and more than 64 tonnes of tobacco.

We have transformed the way we work end-to-end and are undertaking ongoing and comprehensive reform to ensure that our immigration and border protection arrangements support Australia's security, economy and society in the 21st century. At the same time, we continue to do our day-to-day work—facilitating record border flows while safeguarding the integrity of our borders.

In the past year, we have seen yet more change on a global and domestic level, much of which affects our work. The 2016–17 year was a significant one for the portfolio.

Australia continues to rank as one of the top three resettlement countries in the world, with the Department committed to a strong Humanitarian Programme, focused on helping vulnerable people overseas to enter the country in a planned, orderly manner. We delivered 13,760 places through our Humanitarian Programme in 2016–17. Additionally, in September 2015, Australia committed to resettling an additional 12,000 people displaced by conflicts in

Syria and Iraq, and in March 2017 we met that milestone with the last of the 12,000 visas being granted. Priority was given to persecuted minorities, women, children and families displaced by the conflicts in Syria and Iraq with the least prospect of safe return to their home.

The Department has introduced a range of visa initiatives designed to ensure Australia's visa programs remain internationally competitive while encouraging sustainable growth.

On 1 July 2016, the Department introduced the Simplified Student Visa Framework (SSVF), which streamlined the

visa application process for genuine students, reduced red tape for business, and bolstered immigration integrity.

We also implemented a new Entrepreneur visa and amended the points test for skilled migration to attract and retain talented, skilled migrants. In addition, we implemented new and innovative tourist visa products, including a Lodgement in Simplified Chinese and a 10-year validity Visitor (subclass 600) visa. We have progressed plans to replace the Temporary Work (Skilled) (subclass 457) visa to provide incentives for businesses to employ Australians first, expanded the Community Support Program, and are working towards changes to citizenship requirements.

On 9 May 2017, as part of the 2017–18 Budget, the Minister for Immigration and Border Protection announced a long-term program of transformational change to the way in which visa and citizenship services are delivered. A

market consultation paper, *Delivering visa services for Australia*, was released in June 2017 to start the long-term process of market engagement. This program of transformational change in service delivery will continue in parallel with work underway on transforming Australia's visa system to make it easier to understand, easier to navigate and more responsive to Australia's economic, social and security interests.

In the maritime domain, we continue to maintain a robust surveillance and response posture in Australian waters. With nearly 60,000km of coastline inclusive of our islands, Australia's maritime Exclusive Economic Zone is 8.2 million square kilometres – larger than our country's land mass. The ABF's Maritime Border Command utilises both Australian Defence Force and ABF vessels, aircraft and people to effectively provide Australia with a multi-layered approach to security. This enables the ABF to address threats offshore, before they reach Australia's shores. The ABF has achieved

some considerable success with the disruption of large scale border controlled drugs through joint ABF and Australian Federal Police (AFP) operations, and we continue to target illegal foreign fishing, which remains an ongoing threat to our resources and environment.

We undertook a \$5 million Bay Class Vessel Refresh Works Program to significantly improve the operational capability of two vessels from the existing ABF fleet, ABFC *Roebuck Bay* and ABFC *Storm Bay*. The refreshed vessels form part of the new tiered Torres Strait Marine Capability being delivered to combat specific challenges in the Torres Strait region and increase the ABF's responsiveness to managing border issues. In addition, we have taken full command of the ABFC *Ocean Shield* for the first time. We now operate the largest fleet of marine vessels in the history of the ABF and its predecessor organisations.

Operation Sovereign Borders continues to disrupt, deter and prevent illegal

maritime migration to Australia, maintaining secure Australian borders and preventing deaths at sea as a result of people smuggling. July 2017 marked three years since the last people smuggling venture reached mainland Australia. While Operation Sovereign Borders has significantly reduced the frequency of attempts to reach Australia illegally by boat, people smuggling remains an ongoing threat to border security in the region. There is no room for complacency—we must be resolute in ensuring the illegal maritime pathway to Australia remains closed.

The Department is committed to resolving the legacy caseload of 50,000 people who came to Australia illegally by boat between 2008 and 2014. On 21 May 2017 the Minister for Immigration and Border Protection announced that all people who came illegally by boat and are seeking protection in Australia must lodge a temporary protection visa application before 1 October 2017, or make arrangements to depart. The Department

is also continuing to support the Governments of Nauru and Papua New Guinea with those subject to regional processing arrangements.

An independent Child Protection Panel was established to review the Department's practices and ensure that a comprehensive and contemporary framework relating to the protection of children is in place. The Panel provided the Department with 17 recommendations in its published report. The Department has accepted all recommendations and is in the process of implementing them.

In conjunction with the Panel's findings, the Department launched its Child Safeguarding Framework in October 2016—a blueprint for how we will continue to build and strengthen our policies, processes and systems to protect children. This framework is supported by a series of new policies and procedures to ensure children are protected in our immigration programs. The Child Protection

Panel is returning in October 2017 to review the Department's progress in implementing their report recommendations and the Child Safeguarding Framework.

We also released the Detention Capability Review report in January 2017. The internal review was undertaken to ensure that the Australian immigration detention network is affordable and sustainable for the future. The Department's Executive endorsed all of the review's 43 recommendations to support a series of changes across the Australian immigration detention system. Implementation of the recommendations is well under way, and will require a sustained approach over multiple years. This includes finalising a new *Resolving Immigration Status* operating model, an improved risk-based approach that supports the appropriate placement and management of individuals while their status is being resolved, and steps towards the realignment of the immigration detention estate to better

suit the new operating model and the future immigration environment.

Australia's immigration detention network has continued to adapt in response to large-scale changes in the migration environment. The ongoing success of our strong border control policies has enabled the closure of 15 immigration detention facilities since December 2013. In the past year, we closed the Perth Immigration Residential Housing, and did not renew the lease for Wickham Point Detention Centre. We have seen a continued reduction in the number of people in Australian immigration detention, including removing all children from detention. However, we have seen an increase in the percentage of high-risk detainees, such as those with a criminal history and links to criminal associations.

The ABF continued to make Australia's immigration detention facilities safer and more secure. Operation Safe Centres has provided coordinated activity to deter and disrupt criminal and high risk behaviour.

This includes enhanced screening arrangements to prevent contraband entering facilities. Through our ongoing enhancements to the management of the immigration detention network, we are better able to detect, prevent and respond to criminal activity and reduce the smuggling of contraband.

In the traveller space, the Department is continuing to develop our border control processes for the future in collaboration with industry, government and international partners.

In the sea environment, we are developing a trusted operator model for cruise ships. To inform this, we completed a series of proof-of-concept Provisional Clearance Trials between October 2016 and May 2017 to evaluate the feasibility of leveraging cruise ship operators' capability and check-in processes to support provisional immigration clearance. We are planning further trials for next cruise ship season, and continue to work with stakeholders on a framework for the trusted operator model.

Australia is a global leader in implementing automated border clearances at our busy international airports. The Department is committed to advancing our intelligence and biometrics capabilities to further streamline travel while strengthening border integrity. This year, more than 14.6 million passengers used automated Departures SmartGates at our international airports—averaging more than 40,000 people every day. We also made progress towards the implementation of new generation Arrivals SmartGates, to begin rollout in the 2017–18 year. We also worked towards removing the paper Outgoing Passenger Card (OPC), with the information previously gathered via paper-based OPCs collated from existing Government data instead. This initiative supports the move towards a more seamless, secure and simplified border clearance process.

Regular international flights into Canberra Airport started in September 2016 thanks to the cooperation of various border agencies, the law enforcement

community, and the airport operator. Canberra Airport's capabilities include the full range of enforcement technology, a Counter Terrorism Unit (CTU) team, Departures SmartGates and newly deployed ABF officers to manage regular international flights.

In June 2017, we collaborated with the Department of Agriculture and Water Resources and Canberra Airport to co-design and trial a range of innovative business processes in the customs-controlled precinct enabled by supporting infrastructure and technology. This was highly successful and will inform the design of future service delivery models at the border.

Our Airline Liaison Officer (ALO) program is an integral part of our layered approach to border management. Strategically located at 17 key international hubs, ALOs operate ahead of the border, working with airlines, airport security groups and host governments to identify and manage threats and risks before they reach the Australian border. During the 2016–17 year, ALOs

interdicted 174 people who were either improperly documented or imposters from entering Australia.

The ABF's CTU teams have enhanced our ability to handle inbound and outbound national security risks by proactively identifying and interdicting persons of national security interest. CTU teams conducted 236,455 assessments and 14,042 patrols nationally. This resulted in 729 positive outcomes including the detection of undeclared excess currency, the suspension or cancellation of passports, or the imposition of infringement notices. A further number are the subject of ongoing intelligence and law enforcement investigation and interest.

In keeping with our identity as an intelligence-led organisation, we are working towards improving risk assessment processes with a new Visa Risk Assessment capability to support stronger national security outcomes and offer better protection to the Australian community. This capability enhances

assessment of terrorism and criminal threats to Australia before they arrive at the border. It consolidates broad-ranging immigration and border information that allows risks to be assessed through targeted intelligence and better use of consolidated data.

Visa Risk Assessment will allow us to identify potential issues earlier to enable swifter action, such as visa cancellations, earlier in the process. It also includes the capability to identify low-risk visa applicants, providing a more streamlined process and improved customer experience.

The Department and its frontline law enforcement agency, the ABF, is committed to ensuring the integrity of Australia's migration and visa programs. We are engaged in regular operations around the country, targeting individuals who have overstayed their visa and companies who are either employing non-citizens who do not have work rights, or those engaged in worker exploitation across a wide range of industries. There were 15,885 location

events of unlawful non-citizens, including 2,268 locations of illegal workers, issued 396 illegal worker warning notices to employers for employing unlawful non-citizens or non-citizens in breach of their visa conditions, and made 57,161 visa cancellations for a variety of reasons.

Through Taskforce Cadena, the ABF has targeted and disrupted the organisers of illegal work, visa fraud and the exploitation of foreign workers, and continues to confront systemic visa exploitation. The Taskforce completed seven operations across multiple states and industry types, and executed 14 warrants. While some of these matters are ongoing, offences include the referral or employment of unlawful non-citizens, the concealment or harbouring of non-citizens, and visa holders being in breach of visa conditions.

The Department continues to work with law enforcement and other agencies to identify, and where appropriate, cancel visas for non-citizens engaging in gang violence

or other criminal activity, particularly targeting outlaw motorcycle gangs (OMCGs). We cancelled 1284 visas and refused 626 visa applications under the character provisions of section 501 of the *Migration Act 1958*. There were 38 OMCG members, associates or those involved in organised crime cases who had visas cancelled or refused.

The ABF has a vital community protection role in protecting Australia's borders from the entry of illegal and harmful goods. Working with law enforcement partners including the Australian Federal Police, we made many significant detections of illicit drugs, including record seizures of ice and cocaine—with estimated street values of more than \$600 million and \$300 million respectively.

In addition, we continued our increased operational focus to deter and detect goods suspected of containing asbestos from entering our border through asbestos risk profiles and alerts that identify and target high risk shipments and importers of

concern while maintaining a strong industry education program of work. Despite an increase in shipments examined, there has not been a proportionate increase in the overall number of positive detections.

On 15 May 2017, the Department stood up Enforcement Command, a new division within the ABF. This division's multidisciplinary and cross-skilled workforce harnesses the ABF's specialist investigative and enforcement capabilities to target serious and organised crime, serious and deliberate non-compliance, and systemic vulnerabilities that threaten the integrity of Australia's trade and migration systems. Enforcement Command works across the ABF and with our law enforcement partners.

The Australian Trusted Trader (ATT) program has now been running for a year, with 36 fully accredited trusted traders and many more coming. The program streamlines trade by reducing regulatory barriers

for accredited traders and has increased efficiency without compromising supply chain security.

The establishment of Mutual Recognition Arrangements with Australia's top trading partners is a key benefit to ATT and is anticipated to create a direct benefit of \$2.4 billion for participants over 10 years.

Our young organisation has made tremendous progress in a relatively short amount of time. The Department, including the ABF, is now truly a border management agency for the 21st century. The information contained in this report will attest to the hard work, dedication and professionalism of our staff. As the Department looks forward to becoming part of

the new Department of Home Affairs, we remain committed to keeping Australia open for business and building the capabilities required for Australia's future security and prosperity.



A stylized, handwritten signature in black ink.

Michael Pezzullo
Secretary
Department of Immigration
and Border Protection



A stylized, handwritten signature in black ink.

Michael Outram
A/g Australian Border Force
Commissioner

ABOUT THE DEPARTMENT

At 30 June 2017 the Department had two Ministers: the Hon Peter Dutton MP, Minister for Immigration and Border Protection, and the Hon Alex Hawke MP, Assistant Minister for Immigration and Border Protection.

The Department is committed to its vision as Australia's trusted global gateway. Its role is to protect Australia's border while facilitating trade, travel and migration. The Department must uphold the trust of the Australian people and Government, stemming from its privileged role at the border and in the community.

The Department develops and manages responsive programmes (including Australia's Migration, Humanitarian and Citizenship Programmes) to adapt to changing threats, technological advances and legislative amendments. Through these programmes the Department makes a significant contribution to the Australian economy, the global management of refugees and displaced populations, and Australian social cohesion. DIBP's management of trade, customs, revenue collection, border protection and offshore maritime security also underpins

Australia's economy, sovereignty and national security. The Department works closely with international and domestic governments, agencies and law enforcement bodies to enhance border security and facilitate the movement of legitimate travellers and goods.

The ABF, the Department's operational enforcement arm and Australia's customs service, is responsible for the continued management of compliance, investigations and immigration detention operations at air and seaports, and across Australia's land and maritime domains.

The Department contributes to an Australia that is internationally competitive, prosperous and secure. Our purposes are to:

An overview of each purpose statement and its associated strategic performance measures (SPMs) are provided in Part 2 of this report, annual performance statements.

- | | | |
|---|--|---|
| 1. manage the movement of people and goods to contribute to a strong economy | 2. manage the movement and stay of people to contribute to a cohesive society | 3. manage the border to contribute to a safer, secure Australia. |
|---|--|---|

ORGANISATIONAL STRUCTURE

Figure 1: Organisational structure at 30 June 2017

Department of Immigration and Border Protection						
Secretary Michael Pezzullo				A/g Commissioner Michael Outram		
Group	Policy	Corporate	Intelligence and Capability	Visa and Citizenship Services	Support	Operations
Division	Strategic Policy and Planning	Executive	Intelligence	Visa and Citizenship Management	Border Management	Maritime Border Command
	Immigration and Citizenship Policy	Corporate Services	Information Communications Technology	Refugee and Humanitarian Visa Management	Border Force Capability	Strategic Border Command
	Policy Group Taskforce	People	Major Capability	Community Protection	Children, Community and Settlement Services	Detention and Offshore Operations Command
	Traveller, Customs and Industry Policy	Finance	Identity and Biometrics	Digital Transformation and Channels	Detention Services	Enforcement Command
	International	Legal			Health Services and Policy	Operation Sovereign Borders Joint Agency Task Force
		Integrity, Security and Assurance				
		Enterprise Strategy and Assurance				

Policy

Deputy Secretary Deputy Comptroller-General Rachel Noble PSM					
FAS	Strategic Policy and Planning Jason Russo A/g	Immigration and Citizenship Policy David Wilden	Policy Group Taskforce Linda Geddes	Traveller Customs and Industry Policy Andrew Chandler A/g	International Lachlan Colquhoun
	Strategy and Future Capability Ben Evans	Community Protection and Border Policy Hamish Hansford	Policy Group Taskforce Mark Jeffries	Traveller Branch John Gibbon	Asia Branch Robert McGregor
AS/Commander	Chief Economist Chief Statistician Statistics and Information Governance Ciara Spencer A/g	Economic Policy Michael Willard	Policy Group Taskforce Chloe Bird	Trade and Customs Josh Hutton A/g	Americas, Europe, Middle East and Africa Brett Schuppan A/g
		Humanitarian, Family and Citizenship Policy Alice Ling		Trusted Trade and Industry Genevieve Watson	Pacific and Transnational Issues Anthony Seebach
		Planning, Design and Assurance Branch Michael Burke			
International Lachlan Colquhoun					
	Minister Counsellor Geneva Richard Johnson	Minister Counsellor Asia Chris Wall	Regional Director North Asia Teresa Conolan	Regional Director Middle East and Africa John Moorhouse	Regional Director South East Asia Chris Waters
	Regional Director South Asia Scott Matheson	Regional Director Europe Abi Bradshaw	Regional Director Americas Derek Bopping	Regional Director Pacific Phil Brezzo	Regional Director Mekong Region David Ness

Corporate

Deputy Secretary							
Chief Operating Officer Jenet Connell							
FAS	Executive Shannon Frazer	Corporate Services Ben Wright	People Murali Venugopal	Finance <i>Chief Finance Officer</i> Steven Groves	Legal <i>General Counsel</i> Pip de Veau	Integrity, Security and Assurance <i>Chief Audit Executive</i> Cheryl-anne Moy	Enterprise Strategy, Reform and Performance <i>Chief Risk Officer</i> Peta Dunn
AS	Ministerial and Parliamentary Brett Marshall	Payroll and Payments Ryan Summerton	Learning and Development Allison Denny-Collins	External Budget and Revenue Lisa Harris	Legislation and Framework Greg Phillipson	Integrity and Professional Standards Mark Brown	Enterprise Strategy and Risk Catherine Seaberg
	Communication and Engagement Sally Bower A/g	Property and Commercial Services Brad Clark	People Strategy and Policy Ben Wyers	Management Accounting Stephanie Cargill	Litigation Branch Miriam Moore	Audit and Assurance Lisa-Ann Howgego	Enterprise Reform Programme Audrey Gilrain
	Executive Support and Engagement <i>Senior Director</i> Katie Gabriel	FOI, Privacy and Records Management Vidoshi Jana	Workforce Management Anne Leo	Financial Operations Sam Hatherly	Commercial and Employment Nicole Ingram A/g	Detention Assurance Justine Jones	Governance and Evaluation Susan Mathew
			WHS and Enterprise Agreement David Leonard	Procurement and Contracts Ian Laverock	Legal Advice and Operational Support Steve McGlynn	Security <i>Senior Director</i> Andrew Brooks	Administrative Compliance Review Agnieszka Holland
					Special Counsel Ian Deane PSM		

Intelligence and Capability

	Deputy Secretary Maria Fernandez PSM			
FAS	Intelligence Cameron Ashe	Information Communications Technology <i>Chief Information Officer</i> Randall Brugeaud	Major Capability Michael Milford AM	Identity and Biometrics Joe Franzl
AS	Intelligence Support Dominique Poidevin	Intelligence, Identity and Biometrics Systems Thomas Bryan	Business Engagement and PMO Rhys Goodwin	Enterprise Biometrics Paul Cross
	National intelligence Adam Meyer	Visa, Citizenship and Digital Systems Anthony Warnock	Strategy Architecture and Innovation Dane Cupit A/g	Enterprise Identity Michael Minns
	Intelligence Development Jeff Carige	Traveller, Cargo and Trade Systems Ben Staughton	Sourcing and Vendor Management Duane Stokes	Identity Capability Management <i>Senior Director</i> Anna Lutz
	Border Intelligence Fusion Centre Lynn Moore	Corporate and Case Systems Lynn White	Operational Capability Rebecca Camp A/g	
	Strategic Assessments and Intelligence Management <i>Senior Director</i> Ian Mayo A/g	Technology Operations and Support Sean Hugo		

Visa and Citizenship Services

	Deputy Secretary Kaylene Zakharoff A/g			
FAS	Visa and Citizenship Management Christine Dacey	Refugee and Humanitarian Visa Management Luke Mansfield	Community Protection Peter Richards A/g	Digital Transformation and Channels Tara Cavanagh A/g
AS	Permanent Visa and Citizenship Programme Damien Kilner	Refugee and Humanitarian Programme Libby Hampton	Status Resolution Dora Chin-Tan	Channel Strategies and Management Renelle Forster
	Temporary Visa Programme Judith O'Neill	Temporary Protection Visa Assessment Frances Finney PSM	Character Assessment and Cancellations Fiona Andrew	Visa Reform Implementation James Savage A/g
	Network Planning and Support Tania Wilson	Onshore Protection Miranda Lauman	Caseload Assurance Suzanne Muir A/g	Immigration Reform and Implementation Office <i>Senior Director</i> Vacant
	Labour/Skilled Visas <i>Senior Director</i> Robyn Legg		Status Resolution <i>Senior Director</i> Sally Pfeiffer	

Visa and Citizenship Management

Christine Dacey

Regional Director NSW/ACT

Lesley Dalton

Regional Director QLD

Steve Biddle

Regional Director Central

Jane Sansom

Regional Director Vic/TAS

Peter Van Vliet

West

Senior Director
 Steven Karras

Support

Deputy Commissioner							
Mandy Newton APM							
Asst. Comm.	Border Management Jim Williams	Border Force Capability Stephen Hayward	Children, Community and Settlement Services Claire Roennfeldt A/g	Detention Services David Nockels	Health Services and Policy <i>Chief Medical Officer Surgeon General</i> Dr John Brayley	Regional Processing Taskforce <i>Commander</i> Kylie Scholten	Ramiform Taskforce <i>Chief Superintendent</i> Bjorn Roberts
Commander	Operational Strategies Bill Ries	Air and Marine David Luhrs	Community Programmes and Reporting Kerry Rayner A/g	Service Management Lee-ann Monterosso	Immigration Health <i>Deputy Chief Medical Officer</i> Dr Paul Douglas		
	Customs Compliance Erin Dale	ABF Change and Career Management Malcolm Phelps A/g	Regional Processing and Performance Alana Sullivan A/g	Detention Estate Management Fatime Shyqyr	Health Strategy and Planning Leonie Nowland		
	Immigration Compliance Don Smith	Specialist Operations Support and Business Engagement (SOSBE) Craig Sommerville	Child Wellbeing David Norris A/g				
	Trusted Trader Programme <i>Chief Superintendent</i> Sneha Chatterjee	ABF College <i>Chief Superintendent</i> Jane Curry A/g					

Operations

A/g Deputy Commissioner Wayne Buchhorn				
Asst. Comm. Commander	Maritime Border Command (MBC) RADM Peter Laver, RAN	Strategic Border Command Clive Murray	Detention and Offshore Operations Command Kingsley Woodford-Smith	Enforcement Command Mark Antill A/g
	Commander OSB JAFT AVM Stephen Osborne			
Commander	Deputy Commander MBC Jo Crooks	Operations Stephen Alexander	Detention Operations Vanessa Holben	ABF Investigations Matt Stock A/g
				Operation Sovereign Borders Joint Agency Task Force (OSB JATF) <i>Deputy Commander Chief Superintendent</i> Tharanie Vithanage
	Chief of Operations AIRCDRE Andrew (Jake) Campbell		Offshore Operational Coordination David Whitfield	Special Investigations and Coordination Sharon Huey
				Field and Removal Operations Robyn Miller

Strategic Border Command
Clive Murray

Regional Commander NSW Tim Fitzgerald	Regional Commander VIC/TAS James Watson	Regional Commander QLD Terry Price	Regional Commander WA Rod O'Donnell	Regional Commander Central Rachel Houghton
				Chief Superintendent SA Brett Liebich

LEGISLATION

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

- *Australian Border Force Act 2015*
- *Australian Citizenship Act 2007*
- *Australian Citizenship (Transitional and Consequential) Act 2007*
- *Commerce (Trade Descriptions) Act 1905*
- *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*
- *Immigration (Guardianship of Children) Act 1946*
- *Import Processing Charges Act 2001*
- *Maritime Powers Act 2013*
- *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
- *Passenger Movement Charge Act 1978*
- *Passenger Movement Charge Collection Act 1978*
- *Psychotropic Substances Act 1976*

Fifteen portfolio bills were introduced to the Australian Parliament during 2016–17. In that period, seven bills passed both Houses of Parliament and became Acts upon Royal Assent being given. Further, 23 Regulations were registered and 70 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

OFFICE AND POST LOCATIONS

As a global organisation, the Department brings together 13,758 staff based primarily in Australia and in 52 locations around the world. As of 30 June 2017, the Department’s Office and Post locations were:



Figure 2: Office and post locations at 30 June 2017

Regional Directorates

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



Embassies		Consulates	High Commissions	Other
Amman	Jakarta	Auckland	Apia	Geneva
Ankara	Madrid	Dubai	Colombo	National Office
Athens	Manila	Guangzhou	Dhaka	
Bangkok	Mexico City	Ho Chi Minh City	Islamabad	
Beijing	Moscow	Hong Kong	Kuala Lumpur	
Beirut	Phnom Penh	Shanghai	London	
Belgrade	Santiago		Nairobi	
Berlin	Seoul		New Delhi	
Brasilia	Tehran		Nuku'alofa	
Brussels	Tel Aviv		Ottawa	
Buenos Aires	Tokyo		Port Louis	
Cairo	Vienna		Port Moresby	
Dili	Vientiane		Pretoria	
Hanoi	Washington DC		Singapore	
Harare	Yangon		Suva	

Outcome and programme structure

Purposes are defined by section 8 of the *Public Governance, Performance and Accountability Act 2013* as ‘the objectives, functions or role’ of an entity. For 2016–17, the Department worked to achieve three outcomes through the delivery of 11 programmes. The link between the outcome and programme

framework in the *Portfolio Budget Statements 2016–17* and the *Portfolio Additional Estimate Statements for 2016–17* and the purpose statements in *Corporate Plan 2016–17* are set out in Figure 3. The Department’s annual performance statement, outlining the delivery of this framework, is at Part 2 of this report.

Annual performance statements

PART 2

STATEMENT BY THE ACCOUNTABLE AUTHORITY	26
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PURPOSE 1: Manage the movement of people and goods to contribute to a strong economy	27
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PURPOSE 2: Manage the movement and stay of people to contribute to a cohesive society	58
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PURPOSE 3: Manage the border to contribute to a safer, secure Australia	86
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PART 2:

Annual performance statements

STATEMENT BY THE ACCOUNTABLE AUTHORITY

I Michael Pezzullo, as the accountable authority of the Department of Immigration and Border Protection, present the annual performance statements of the Department of Immigration and Border Protection for the period of 1 July 2016 to 30 June 2017, 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
18 September 2017

PURPOSE 1: MANAGE THE MOVEMENT OF PEOPLE AND GOODS TO CONTRIBUTE TO A STRONG ECONOMY

Table 1: Purpose 1 performance criteria

This Purpose encompasses:

**Corporate Plan
2016-17**

Strategic Performance Measure 1.1: Australia's visa programmes are responsive to the needs of the economy

Strategic Performance Measure 1.2: The collection of border revenue is managed and enhanced

Strategic Performance Measure 1.3: Seamless border management facilitates the flow of legitimate travellers and goods

Strategic Performance Measure 1.4: Effective partnerships both within and outside Australia build a strong economy

**Portfolio Budget
Statements 2016-17**

Outcome 1: Protect Australia's sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.

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.

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 1.1: Border Enforcement

Program 1.2: Border Management

Program 2.2: Migration

Program 2.3: Visas

Program 3.1: Border
Revenue Collection

Program 3.2: Trade Facilitation
and Industry Engagement

The Department contributed to a strong Australian economy during 2016-17 through its management of temporary entrant and permanent migration programmes, and its facilitation and support for legitimate international trade and travel, ensuring Australia

remained an attractive destination. This was further supported through the effective collection of border-related revenue in the form of customs duty, visa application charges, other taxes, and other non-taxation revenue. The delivery of this purpose was

assisted by collaboration with partner agencies (including the Department of Foreign Affairs and Trade (DFAT), Austrade, and the Australian Taxation Office), and with Australian industry, international organisations and foreign countries.

Figure 4: Purpose 1 performance snapshot²

REVENUE COLLECTED

\$15.6b

customs duty, passenger movement charges and import processing charges

\$2b

visa application charges



GOODS INSPECTED

58.5m

international mail items³

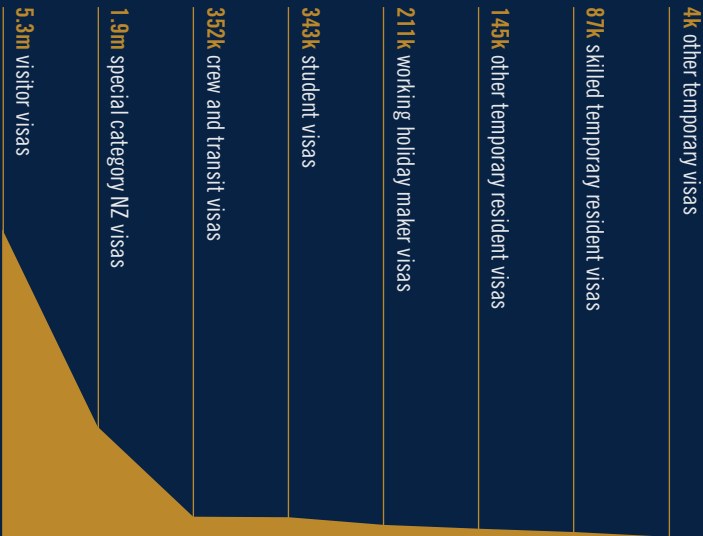
85k

sea cargo

PEOPLE

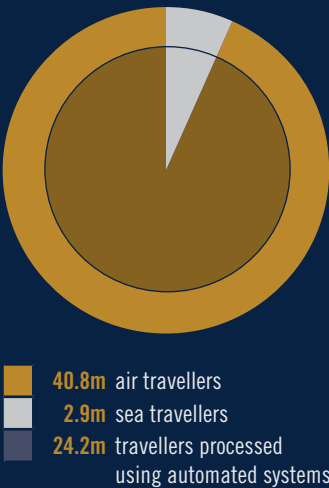
8.4m

temporary visas granted



43.7m

travellers crossed the Australian border⁴



² Exact figures available at Years at Glance table on page 254 and the Results Table on pages 33–111.

³ The number of inspections reported is calculated from an algorithm comprising the total amount of international mail items received (reported by Australia Post) and inspection percentages for each targeted risk profile, defined by the International Mail Intervention Strategy. Due to the high volume of items received, individual inspections are not recorded. The number of detections is recorded within the Detained Goods Management System.

⁴ All travellers numbers include passengers and crew.

SPM 1.1 AUSTRALIA'S VISA PROGRAMMES ARE RESPONSIVE TO THE NEEDS OF THE ECONOMY

Analysis

During 2016–17, Australia's visa programmes contributed significantly to the economy, society and the labour market, with the Department granting a record 8,411,187 temporary visas and 183,608 permanent visas within its Migration Programme. For detail on the Humanitarian Programme please refer to SPM 2.3.

Temporary visas once again showed strong growth across almost all categories. In particular, the visitor programme continued to strongly support global tourism, business travel and the domestic economy. The Department managed a record number of visitor visas in 2016–17, with more than five million visas granted. This was an increase of 11.4 per cent on 2015–16. In achieving this outcome the Department tested a range of innovations, including a trial of a 10-year validity visitor visa to reduce red

tape for frequent travellers from China, a trial of a 'fast track' visitor visa processing service, and an online visitor visa lodgement service in Chinese, all of which have been well received.

The student visa programme continued to facilitate continuing growth in the international education sector. In 2016–17, 343,035 student visas were granted, a 10.4 per cent increase on the previous year. Student visa grants have increased on average by 4.5 per cent a year over the past decade. A significant achievement in the 2016–17 programme year was the implementation of the Simplified Student Visa Framework (SSVF) on 1 July 2016. This facilitates the sustainable growth of Australia's international education sector by simplifying the student visa application process for genuine students, reducing red tape for education

providers and delivering a more targeted approach to immigration integrity. The SSVF is an important component of the Australian Government's first National Strategy for International Education⁵. SSVF allowed the Department to manage ongoing growth in the student visa programme without compromising integrity. Feedback from stakeholders has been positive. More broadly, the Department continues to engage with key international education stakeholders to support a long-term sustainable student sector. For example, the Department convenes the Education Visa Consultative Committee, a quarterly forum focused on the student visa programme and international education issues.

Where temporary skilled visas are concerned, the number of Temporary Work (Skilled) (subclass 457) visa holders in Australia at

5 www.internationaleducation.gov.au/International-network/Australia/InternationalStrategy/Pages/National-Strategy.aspx

30 June 2017 fell for the third consecutive year, consistent with the Government's ongoing agenda to prioritise Australian workers. New subclass 457 visa restrictions were introduced in 2016, including a reduction from 90 days to 60 days in the time that a subclass 457 visa holder can stay after their employment has ended. Additional interim reforms were announced in April 2017 alongside an announcement of the planned abolition of the 457 visa in March 2018 and its replacement with a new Temporary Skills Shortage visa. The interim 457 reforms are being implemented in four phases. The first tranche was implemented from 19 April 2017 with the creation of two new occupations lists, the Short Term Skilled Occupation List (STSOL) and the Medium and Long-Term Strategic Skills List (MLTSSL), which reduced the number

of occupations available for 457 applications.

The size and composition of Australia's permanent Migration Programme is set each year and the Department consults widely across the Australian Government and state and territory governments when planning the programme. In 2016–17, the Skill stream made up two thirds of the Migration Programme, and provided economic benefits by targeting migrants with investment or entrepreneurial capability or who have skills or abilities needed in Australia's labour market.

The total permanent Migration Programme outcome was 183,608 places within the planning level of 190,000. This consisted of 123,567 places delivered in the Skill stream, 56,220 places delivered in the Family stream, 421 places

delivered in the Special Eligibility stream and 3400 Child places.

The Continuous Survey of Australia's Migrants (CSAM) demonstrates the effectiveness of skilled visa programmes and informs future planning. Results from the 2016 survey show the overall employment rate for skilled primary visa holders at their 18-month settlement period was 93.4 per cent. The Productivity Commission Inquiry Report on *Migrant Intake into Australia*⁶, publicly released on 12 September 2016, found that the current immigration system has generally served the interests of the broader community well.

When delivering temporary and permanent visa programmes, the Department must balance client, economic and trade interests with its national

security and community protection responsibilities. The Department continues to focus on visa programme integrity and community protection through the visa cancellation and visa refusal caseloads. In 2016–17 the Department refused 637 visa applications and cancelled 1837 visas on security or character grounds, an increase on the previous programme year.

Increasing complexity and risk, resource pressures, and lodgement volumes present challenges in many caseloads. Recognising this, the Department has changed the way it provides information to clients, moving to monthly reporting of average global processing times. These provide more meaningful processing timeframes for clients and more accurately reflect the broader challenges

and constraints associated with visa and citizenship programme delivery. Feedback received from clients, external stakeholders and departmental staff about this initiative has been overwhelmingly positive because it has increased transparency and provided clients with current processing times rather than aspirational service standards.

Results

Table 2: SPM 1.1 – Australia’s visa programmes are responsive to the needs of the economy

KPI 1.1.1 Migration planning levels consider the needs of the economy

Target:

No target

Source:

Corporate Plan 2016–17 p. 27.

Result:

Planning levels for the 2016–17 Migration Programme were considered in consultation with key economic stakeholders including the Treasury, the Department of the Prime Minister and Cabinet, the Department of Finance, the Department of Industry, Innovation and Science, the Department of Employment, and state and territory governments, taking into account the needs of the Australian economy. As a result, two-thirds of the permanent migrant intake in 2016–17 was allocated to migrants who hold visas that provide economic advantage either by being skilled in occupations in medium to long-term demand or through business and investment in Australia.

KPI 1.1.2 The skilled component of the managed migration programme is delivered within planning levels set by the Government for each category

Target:

Deliver up to planning levels

Source:

Corporate Plan 2016–17 p. 27.
Program 2.2 PBS p. 44.

Result:

The Department granted over 183,600 permanent places to new migrants in 2016–17 to meet Australia’s skill and family needs. Of the permanent places granted, skill stream visas totalled more than 123,500.

KPI 1.1.3 Deliver a range of temporary and permanent visa programmes that support Australia’s economic needs

Target:

No target

Source:

Corporate Plan 2016–17 p. 27.

Result:

The Department delivered the Migration Programme within planning levels (see KPI 1.1.2). Targets were met for visa grants against KPIs in 1.1.4. Visa and citizenship average global processing times have been publically available on the Department’s website since 13 March 2017. Feedback from clients, external stakeholders, and internal staff about this initiative has been positive overall because it has increased transparency and provided clients with current processing timeframes rather than aspirational service standards. Status-related phone enquiries to the onshore service centre have also noticeably reduced since publication. The Department continues to monitor feedback, trends and fluctuating processing times each month. Noticeable changes in global processing times as at 30 June 2017 included Working Holiday (subclass 417) visa processing times for the 75th percentile decreasing from 13 days to 11 days, for the 457 visa decreasing from 78 days to 71 days, and the Temporary Graduate (subclass 485) visa from 86 days to 69 days.

Table 2: SPM 1.1 – Australia's visa programmes are responsive to the needs of the economy**KPI 1.1.4 Number of visas granted:**

- 1.1.4.1 visitor visas⁷
- 1.1.4.2 student visas
- 1.1.4.3 457 visas
- 1.1.4.4 other temporary visas that respond to the needs of the economy

Target:

- 1.1.4.1 visitor visas – 4.5 million
- 1.1.4.2 student visas – 300,000
- 1.1.4.3 457 visas – 85,000
- 1.1.4.4 other temporary visas that respond to the needs of the economy – no target.

Source:

Corporate Plan 2016–17 p. 28.
Program 2.3 PBS p. 46.

Result:

- 1.1.4.1 visitor visas – 5,345,684
- 1.1.4.2 student visas – 343,035
- 1.1.4.3 457 visas – 87,580
- 1.1.4.4 other temporary visas that respond to the needs of the economy – 404,777

KPI 1.1.5 Percentage of visa decisions made within service standards:

- 1.1.5.1 visitor visas
- 1.1.5.2 student visas
- 1.1.5.3 457 visas
- 1.1.5.4 other temporary visas that respond to the needs of the economy

Target:

- 1.1.5.1 visitor visas – 75%
- 1.1.5.2 student visas – 70%
- 1.1.5.3 457 visas – 75%
- 1.1.5.4 other temporary visas that respond to the needs of the economy – 75%

Source:

Corporate Plan 2016–17 p. 28.
Program 2.3 PBS p. 46.

Results:

- 1.1.5.1 visitor visas – 90.5%
- 1.1.5.2 student visas – 24.6%⁸
- 1.1.5.3 457 visas – 73.8%
- 1.1.5.4 other temporary visas that respond to the needs of the economy – 93.5%

KPI 1.1.6 Finalisation⁹ of visa decisions increases proportionally with increase in visa applications:

- 1.1.6.1 visitor visas
- 1.1.6.2 student visas
- 1.1.6.3 457 visas

Target:

No target

Source:

Corporate Plan 2016–17 p. 28.

Result:

- 1.1.6.1 visitor visas – 99.3%
- 1.1.6.2 student visas – 100.3%¹⁰
- 1.1.6.3 457 visas – 89.8%

⁷ Figure includes auto-grants and Electronic Travel Authorities (ETAs).

⁸ Under the SSVF, implemented on 1 July 2016, the new Student (subclass 500) visa does not have a service standard. In relation to this KPI, the only student visas that could be measured against a service standard were repealed subclasses 570 to 576 where applications for these subclasses were lodged before 1 July 2016 and finalised in 2016–17.

⁹ Refers to the grant or refusal of a visa application.

¹⁰ This result indicates that more student visa applications were finalised in 2016–17 than were received in this period. This is because there was an increase in student visa applications received in May and June 2016 that were then finalised in 2016–17.

Table 2: SPM 1.1 – Australia’s visa programmes are responsive to the needs of the economy**KPI 1.1.7 Migration and temporary entry programmes do not increase risks to the safety of the Australian community****Target:**

No target

Source:*Corporate Plan 2016–17* p. 28.
Program 2.2 PBS p. 44.

Results: The Department actively screened and assessed health requirements as part of the visa application process. The Department also focused on visa programme integrity and community protection through the visa cancellation and visa refusal caseloads, and delivered an increase in this year’s programme outcome over last year.

KPI 1.1.8 The employment rate of surveyed skilled primary applicant migrants 6 months and 18 months after arrival/visa grant, as reported in the Continuous Survey of Australia’s Migrants**Target:**At 6 months – ≥85%
At 18 months – ≥90%**Source:***Corporate Plan 2016–17* p. 28.**Result:**At 6 months – 88.4%
At 18 months – 93.4%**KPI 1.1.9 Employment outcomes of surveyed skilled primary applicant migrants of Skill Level 3¹¹ or higher, at 18 months after arrival/visa grant, as reported in the Continuous Survey of Australia’s Migrants****Target:**

≥75%

Source:*Corporate Plan 2016–17* p. 28.**Result:**

76.5%

KPI 1.1.10 Employment characteristics of surveyed Skill stream primary applicants 18 months after arrival/visa grant as reported in the Continuous Survey of Australia’s Migrants:

- 1.1.10.1 percentage managers
- 1.1.10.2 percentage professionals
- 1.1.10.3 percentage technicians and trade workers

Target:

- 1.1.10.1 percentage managers – ≥15%
- 1.1.10.2 percentage professionals – ≥50%
- 1.1.10.3 percentage technicians and trade workers – ≥15%

Source:*Corporate Plan 2016–17* p. 28.**Result:**

- 1.1.10.1 percentage managers – 17.9%
- 1.1.10.2 percentage professionals – 55.6%
- 1.1.10.3 percentage technicians and trade workers – 17.1%

11 Occupations at Skill Level 3 have a level of skill commensurate with one of the following:

- NZ Register Level 4 qualification
- AQF Certificate IV or
- AQF Certificate III including at least two years of on-the-job training.

At least three years of relevant experience may substitute for the formal qualifications listed above.

In some instances, relevant experience and/or on-the-job training may be required in addition to the formal qualification.

SPM 1.1 Case study

MANAGING STUDENT VISA PROGRAMME GROWTH

International education is one of Australia's largest export sectors, generating an income of \$20.3 billion in 2016. At 30 June 2017, 443,798 international student visa holders were studying in Australia, with China, India, Nepal, Vietnam and South Korea being the largest source countries.

The 2016–17 programme year saw an increase in international students applying to study in Australia. There were 374,294 applications lodged during this period, an increase of over 4.5 per cent when compared with the previous programme year. This significant increase reflects the efforts Australia has made to attract international students.

The Department finalised¹² 379,982 applications, up by nearly 9.0 per cent when compared with the 2015–16 programme year. The Department also granted 10.4 per cent more student visas compared with the previous programme year.

Reform and deregulation of the student visa programme, introduced on 1 July 2016, enabled the Department to manage this growth while maintaining the programme's integrity. A simpler framework, refined regulatory criteria, online lodgement and better targeted risk

information have all contributed to increased efficiencies and enhanced flexibility in the programme.

In addition, a single external immigration risk framework, based on a combination of a student's nationality and their intended Australian education provider, guides students about the evidence required when lodging their visa application. By giving students more individualised information about the documents they need to provide, the Department can finalise applications more quickly, and without having to request additional information.

Despite positive growth, there are challenges in maintaining high levels of visa compliance to ensure that the integrity of the student visa programme is not undermined. The Department continues to refine settings to facilitate genuine students without compromising the programme's integrity.

¹² This result indicates that more student visa applications were finalised in 2016–17 than were received in this period. This is because there was an increase in student visa applications received in May and June 2016 that were than finalised in 2016–17.





SPM 1.2 THE COLLECTION OF BORDER REVENUE IS MANAGED AND ENHANCED

Analysis

The Department contributed significantly to the continued health of the Australian economy in 2016–17 by collecting revenue on behalf of the Government. During the period under review, the Department collected \$17,664 million in revenue in the form of customs duty, visa application charges and import processing charges and passenger movement charges.

The Department is committed to ensuring that the application of various border fees aligns with the Government's fiscal and policy objectives, as well as preventing revenue evasion and non-compliance. The Department strives to ensure that the revenue collection process is not complex or arduous, so

that compliant entities can easily adhere to procedures and are not deterred from conducting trade across the Australian border.

As the Department focuses on streamlining systems and processes for revenue collection, concessions and exemptions, it also ensures that client service standards are maintained. The Department aims to satisfy clients by providing quick reimbursements and applying limited imposts. During the reporting period, the Department processed 85 per cent of drawbacks within the Department's client service standard of 30 days of receipt of all necessary information. (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.¹³) While this result is below the target of 90 per cent, performance improved slightly (1 percentage point) from 2015–16. The shortfall can be attributed to a rise in the volume of complex claims, which increased processing times per claim and necessitated the allocation of additional resources. However, 99 per cent of refunds delivered were within these same client service standards and well above the target of 90 per cent. Both results give the Department confidence that current refund processes are accessible and do not hinder the flow of trade.

13 www.border.gov.au/Busi/cargo-support-trade-and-goods/exporting-goods/duty-drawback-scheme

There was an increase this financial year in the number of high-volume and high-value complex drawback claims. An increase in these types of exports will contribute to Australia's economic growth. The Australian Border Force (ABF) will continue to encourage these types of exports by streamlining the relevant trade process and industry engagement.

In 2016–17 the Department engaged the international trade sector on border policies and programmes to enhance rates of voluntary compliance. This had a positive impact, as the number of customs compliance infringement notices declined by 3.0 per cent compared with the previous financial year.

The decrease was within expected levels of variance, given the actual volume of infringements issued. This complements the additional effort the Department has dedicated to influencing behavioural change over time by actively engaging the sector to improve compliance and increasing focus on alternative approaches to working with industry through initiatives such as the Australian Trusted Trader (ATT) Programme.

Enabling higher rates of compliance facilitates the flow of trade, which in turn generates more revenue collection at the border. The ATT has improved compliance from trusted entities. For example, when a trader applied for ATT accreditation, the

ABF identified compliance issues that involved the inappropriate use of exempt lines for certain export products. The company asked the ABF to help resolve the issues, including a discussion with their broker. By working with the business, issues around quality control and third-party engagement were identified. As a result, the company introduced reforms to training and quality assurance in the export side of the business. By working in partnership with the ABF, the business improved compliance and gained ATT accreditation.

Results

Table 3: SPM 1.2 – The collection of border revenue is managed and enhanced	
KPI 1.2.1 Levels of significant revenue collected against budget:	
1.2.1.1 Visa Application Charge	
1.2.1.2 Customs duty	
1.2.1.3 Import Processing Charge	
1.2.1.4 Passenger Movement Charge	
Target:	Source:
1.2.1.1 Visa Application Charge ¹⁴ – \$2,060.5 million	<i>Corporate Plan 2016–17</i> p. 29.
1.2.1.2 Customs duty ¹⁵ – \$14,259.2 million	Program 3.1 PBS p. 51
1.2.1.3 Import Processing Charge – \$399.4 million	
1.2.1.4 Passenger Movement Charge – \$984.6 million	
Result:	
1.2.1.1 Visa Application Charge – \$2,045.5 million	
1.2.1.2 Customs duty – \$14,195.2 million	
1.2.1.3 Import Processing Charge – \$394.9 million	
1.2.1.4 Passenger Movement Charge – \$1,028.4 million	
KPI 1.2.2 Percentage of refunds under the Refund Scheme that are delivered in accordance with client service standards	
Target:	Source:
90%	<i>Corporate Plan 2016–17</i> p. 29.
	Program 3.1 PBS p. 52.
Result:	
99%	
KPI 1.2.3 Percentage of refund appeals decided in favour of the Commonwealth	
Target:	Source:
No target	<i>Corporate Plan 2016–17</i> p. 29.
Result:	
100%	

14 Target figure from *Corporate Plan 2016–17*, p. 29 and Program 3.1 in the PBS 2016–17, p. 60 was updated to the target figure in PAES 2016–17, p. 32

15 Target figure from *Corporate Plan 2016–17*, p. 29 and Program 3.1 in the PBS 2016–17, p. 59 was updated to the target figure in PAES 2016–17, p. 32

Table 3: SPM 1.2 – The collection of border revenue is managed and enhanced

KPI 1.2.4 Percentage of drawbacks delivered in accordance with client service standards

Target:
90%

Source:
Corporate Plan 2016–17 p. 29.
Program 3.1 PBS p. 52.

Result:
85%

KPI 1.2.5 Number of infringement notices

Target:
No target

Source:
Corporate Plan 2016–17 p. 29.
Program 3.1 PBS p. 52.

Results:
255

SPM 1.2 Case study

DETECTION OF CIGARETTES HIGHLIGHTS ABF'S ABILITIES

In August 2016 the Australian Border Force (ABF) detected more than four million illicit cigarettes after they had been shipped to Australia from Korea. The cigarettes had a potential street value of up to \$3.5 million and the total amount of duty evaded was \$2.2 million.

The contents of a container originating in Korea were declared as toilet seat covers and trash cans. The ABF subsequently led an operation in conjunction with the Australian Federal Police (AFP) to identify the alleged importer. A 43-year-old Korean national was arrested after a search warrant was executed at a residential property in Sydney. The Korean national was charged with Customs Act offences in relation to smuggling and possession of illicit tobacco products.

This seizure followed the detection of 2.5 tonnes of illicit cigarettes when four Korean nationals were arrested in Sydney in June 2016, and the seizure of 13 million smuggled cigarettes in Melbourne in April that year.

These detections of illicit tobacco imports demonstrate the ABF's ability to successfully collect and manage revenue at the border, including detecting attempts at revenue evasion and finding those allegedly responsible.





SPM 1.3 SEAMLESS BORDER MANAGEMENT FACILITATES THE FLOW OF LEGITIMATE TRAVELLERS AND GOODS

Analysis

The Department continues to facilitate and manage ever-growing volumes of travellers and goods in a complex global security environment. In a competitive global market for tourists, investors and skilled workers, innovative approaches such as the Australian Trusted Trader (ATT) Programme and digital platforms such as SmartGates are needed to manage demand. To meet these challenges, the Department has 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-led, risk-based, targeted approach to threats to support a seamless flow of travellers and goods across Australia's border.

The Department is committed to expediting the flow of legitimate trade by assisting trusted entities through the ATT Programme. By removing red

tape for trusted traders at the border, the Department facilitates higher and more frequent volumes of trade and promotes consumer confidence. Innovative schemes that facilitate the flow and volume of goods are important to Australia's economy through the profits that trade creates. The Department ensures that the ATT Programme benefits a broad range of Australian businesses by targeting a mix of small and medium sized businesses, including those from regional Australia, as well as high-value, high-volume companies. Under the ATT Programme, a mutual recognition agreement (MRA) was signed with New Zealand in July 2016, and further MRAs with Canada, South Korea and Hong Kong are expected to be implemented by the end of 2017. These, and other MRAs which have been proposed, are expected to encourage more traders to join the programme because they will have the added benefit

of using the seamless trade model for trusted entities between signatory countries.

The Department is also committed to increasing the levels of voluntary compliance by those involved in the reporting, movement and storage of goods, as this reduces compliance costs for both the Department and industry. In the 2016–17 financial year, the Department shifted further from a general transactional monitoring approach to a more concentrated focus on high-risk entities and cargo movements. Encouragingly, the level of compliance in reporting on the security of goods under customs control was relatively high. Over the course of the financial year only 3 per cent of all cargo control compliance checks identified a significant breach. Conversely, the Department observed a notable increase in non-compliant import declarations for goods. Under the Compliance Monitoring

Programme for 2016–17 there was a 16.7 per cent increase in non-compliant import declarations. Inaccurate reporting or deliberately false statements seriously undermine our border controls, and the increase in non-compliant reporting is reflected in the significant number of financial penalties issued under the Infringement Notice Scheme for making false or misleading statements. The Department will continue its complementary regime of infringements and education activities to build compliant behaviour over the long term.

During 2016–17, the Department effectively managed increased international traveller volumes, brought about by the increased capacity and range of passenger aircraft and vessels, to expedite the efficient handling of legitimate passengers. The Department processed 21.99 million international passengers and crew arrivals,

a 10.6 per cent increase over the forecast target. Of these, 91.2 per cent of passengers were processed within 30 minutes of joining the inwards queue—a result only slightly below the target of 92.0 per cent and an improvement over the previous financial year (87.8 per cent). In addition, while traveller volumes increased, customer satisfaction with the primary line improved to 98 per cent from 96 per cent in the previous reporting period.

Traveller numbers continue to grow at more than 5 per cent per annum. The number of travellers is forecast to increase by almost 10 million (22 per cent) in the next four years, rising to over 53 million by 2020–21, creating a substantial pressure on the border. The rollout of new technologies, including streamlined systems for trusted traders and travellers, will enable the Department to better manage this pressure. By increased

efficiency in processing, the Department aims to create a seamless flow of legitimate trade and travel. Increasing volumes of foreign travellers will contribute to Australia's economic growth and revenue.

Results

Table 4: SPM 1.3 – Seamless border management facilitates the flow of legitimate travellers and goods	
KPI 1.3.1 Number of declarations finalised: 1.3.1.1 import 1.3.1.2 export	
Target: 1.3.1.1 import – 4.0 million 1.3.1.2 export – 1.50 million	Source: Corporate Plan 2016–17 p. 30.
Result: 1.3.1.1 import – 3.9 million 1.3.1.2 export – 1.35 million	
KPI 1.3.2 Number of imported sea cargo reports	
Target: 3.2 million	Source: Corporate Plan 2016–17 p. 30.
Result: 3,180,592	
KPI 1.3.3 Number of tariff classification rulings completed	
Target: 2,900	Source: Corporate Plan 2016–17 p. 30. Program 1.2 PBS p. 32.
Result: 2,533	
KPI 1.3.4 Number of valuation and origin rulings completed	
Target: 105	Source: Corporate Plan 2016–17 p. 30. Program 1.2 PBS p. 32.
Result: 741	
KPI 1.3.5 Percentage of tariff classification, valuation and rules of origin advices completed within service standards	
Target: 85%	Source: Corporate Plan 2016–17 p. 30.
Results: 85%	

Table 4: SPM 1.3 – Seamless border management facilitates the flow of legitimate travellers and goods

KPI 1.3.6 Percentage of import declarations assessed pre-clearance through the general monitoring programme that are compliant

Target:

86%

Source:

Corporate Plan 2016–17 p. 30.
Program 1.2 PBS p. 32.

Result:

72%

KPI 1.3.7 Percentage of export declarations assessed pre-clearance through the general monitoring programme that are compliant

Target:

59%

Source:

Corporate Plan 2016–17 p. 30.
Program 1.2 PBS p. 32.

Result:

60%

KPI 1.3.8 Participants in the Australian Trusted Trader Programme include businesses considered as small-medium enterprise; regional Australian; service providers; and large value/volume traders

Target:

No target

Source:

Corporate Plan 2016–17 p. 30.
Program 3.2 PBS p. 54.

Results:

The ATT Programme has targeted high value/high volume traders, small-medium enterprises and rural and regional based enterprises. Just under 20 per cent are based in regional areas, and just over 15 per cent are service providers.

KPI 1.3.9 By 2020, participants in the Australian Trusted Trader Programme will be entities that comprise 50% of value and 30% of volume of all two way trade

Target:

To be reported from 2019–20

Source:

Corporate Plan 2016–17 p. 30.

Result:

36 entities were accredited as Australian Trusted Traders at 30 June 2017, totalling \$37,222,070,495 or 5.63 per cent of the total value of two-way trade, and 1.43 per cent of the total two-way trade volume. Fifty per cent of these are high-value high-volume traders.

Table 4: SPM 1.3 – Seamless border management facilitates the flow of legitimate travellers and goods

KPI 1.3.10 Percentage of customs compliance activities identifying a significant breach:

1.3.10.1 customs cargo control checks¹⁶

1.3.10.2 targeted declarations assessed pre-clearance

Target:

1.3.10.1 customs cargo control checks¹⁶ – 24%

1.3.10.2 targeted declarations assessed pre-clearance – 16%

Source:

Corporate Plan 2016–17 p. 30.

Program 1.2 PBS p. 32.

Result:

1.3.10.1 customs cargo control checks – 3.0%

1.3.10.2 targeted declarations assessed pre-clearance – 16.0%

KPI 1.3.11 Number of international passengers (air and sea) and crew processed:

1.3.11.1 arrivals

1.3.11.2 departures

Target:

1.3.11.1 arrivals – 19.878 million

1.3.11.2 departures – 19.644 million

Source:

Corporate Plan 2016–17 p. 30.

Result:

1.3.11.1 arrivals – 21.990 million

1.3.11.2 departures – 21.740 million

KPI 1.3.12 Percentage of passengers processed within 30 minutes of joining the inwards queue

Target:

92%

Source:

Corporate Plan 2016–17 p. 30.

Program 1.1 PBS p. 30.

Result:

91%

KPI 1.3.13 Percentage of the total passenger and crew arrivals refused immigration clearance at airports and seaports

Target:

<0.015%

Source:

Corporate Plan 2016–17 p. 30.

Result:

0.018%

¹⁶ The 24 per cent target was derived some years prior and cannot accurately be compared to current reporting because of changes to methodology, reporting practices and agency structures as a result of the transition from the former Australian Customs and Border Protection Service. The current reporting is intended to measure serious breaches encountered during physical control checks conducted at wharves, airports, depots, warehouses and cargo terminals. The current methodology used and the result reports (of around 3 per cent) is consistent with data recorded since the ABF was established in July 2015.

Table 4: SPM 1.3 – Seamless border management facilitates the flow of legitimate travellers and goods

KPI 1.3.14 Traveller satisfaction with primary line services

Target:

>95%

Source:

Corporate Plan 2016–17 p. 30.
Program 1.1 PBS p. 30.

Result:

98%

KPI 1.3.15 Percentage of eligible passengers and crew processed using automated systems:

1.3.15.1 arrivals

1.3.15.2 departures

Target:

1.3.15.1 arrivals – 50%

1.3.15.2 departures – 90%

Source:

Corporate Plan 2016–17 p. 30.

Result:

1.3.15.1 arrivals – 57.43%

1.3.15.2 departures – 82.0%

SPM 1.3 Case study

MODERNISING AUSTRALIA'S BORDER – SMARTGATES MAKE DEPARTURE EASY

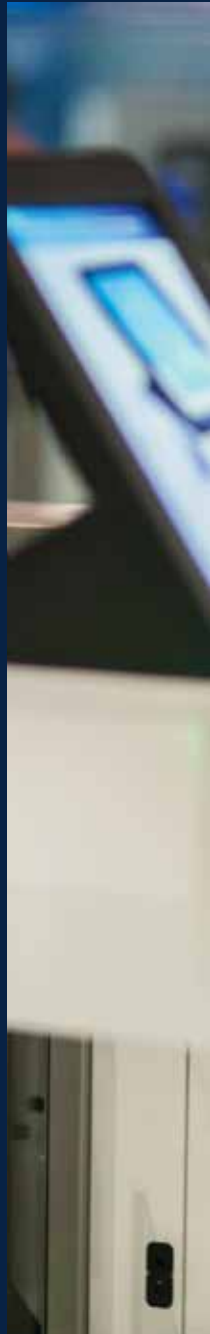
The \$50 million roll-out of departures SmartGates was completed by the end of August 2016, with all 86 gates now in operation across nine of Australia's international airports.

The successful roll-out delivers the Australian Government's commitment to streamline border control processes and enhanced border protection capability at our international airports. Automating the departure process enables the ABF to meet the challenge posed by increasing traveller numbers, while allowing ABF officers to focus on travellers who pose a risk at the border.

Departures SmartGates use state-of-the-art biometric facial recognition technology to confirm a traveller's identity, with one

SmartGate being able to process as many as 150 people per hour. There are 25 gates operational in Sydney, 18 in Melbourne, 12 in Brisbane, nine in Perth, six on the Gold Coast and in Adelaide, four in Darwin, and three in Cairns and in Canberra.

The departures SmartGates project is one of many initiatives helping to modernise Australia's border procedures. The gates improve the ABF's capacity to process increasing traveller volumes while maintaining the integrity of the border clearance process.





SPM 1.4 EFFECTIVE PARTNERSHIPS BOTH WITHIN AND OUTSIDE AUSTRALIA BUILD A STRONG ECONOMY

Analysis

The Department is Australia's trusted global gateway. In 2016–17 the Department worked with stakeholders domestically and internationally to improve the flow of people and goods across the border. This involved outreach and engagement activities with key stakeholders such as international bodies, partner countries, industry, and Australian Government and state and territory agencies.

The Department's industry engagement strategies and main consultative fora underpinned its cooperation with industry. The strategies and engagement framework, developed in consultation with industry stakeholders, provides an arrangement for the Department and industry to work together on a broad range of policy, operational and regulatory issues.

During 2016–17, the Department's stakeholder engagement activities included:

- the Industry Summit held on 31 October 2016, which brought together more than 300 senior industry and Australian Government representatives to discuss strategic immigration and border protection issues
- chairing the National Committee on Trade Facilitation (NCTF), the National Passenger Facilitation Committee and National Sea Passenger Facilitation Committee
- meetings with peak industry bodies such as the Customs Brokers and Forwarders Council of Australia (CBFCA), the Conference of Asia Pacific Express Carriers (CAPEC), the Freight

and Trade Alliance, the Australian Airports Association, the Federal Chamber of Automotive Industries and Shipping Australia Ltd

- Trusted Traders collaborating directly with the ABF in fora and workshops on the design and policy direction of the Australian Trusted Trader (ATT) Programme
 - Industry representatives were involved in the Trusted Trader Symposium launch (in August 2016), and contributed to programme development through the ATT Industry Reference Group
- Tourism Visa Advisory Group meetings to consult major tourism industry stakeholders
- Education Visa Consultative Committee

meetings to facilitate consultation with key international education sector stakeholders

- Ministerial Advisory Council on Skilled Migration (MACSM) meetings for discussion with industry, union and government representatives on skilled migration policy, including a review of the Consolidated Skills Occupations List
- Skilled Migration Officials Group meetings to facilitate consultation with state and territory government representatives on skilled migration policy
- consultations with business and industry representatives on the changes to the subclass 457 visa programme
- seeking submissions from industry on migration, visa and citizenship policy

- continued conversations and ad hoc meetings with national advisory groups, regional stakeholder groups and inter-departmental committees on immigration, citizenship, traveller, trade and customs policy.

The views gained through these activities will inform future policy planning and development, including work being completed to reform the visa, immigration, citizenship, traveller, trade and customs framework.

Results

Table 5: SPM 1.4 – Effective partnerships both within and outside Australia build a strong economy	
KPI 1.4.1 Percentage of tariff classification, valuation and rules of origin advices completed within service standards	
Target: 85%	Source: Corporate Plan 2016–17 p. 31. Program 3.2 PBS p. 54.
Result: 85%	
KPI 1.4.2 The multilateral views of relevant stakeholders are attained through outreach and engagement activities and inform the immigration and citizenship policy development planning process	
Target: No target	Source: Corporate Plan 2016–17 p. 31.
Result: Between 1 July 2016 and 30 June 2017, the Department secured the views of numerous stakeholders during engagement activities, including: <ul style="list-style-type: none">the Industry Summit on 31 October 2016 where senior industry representatives gave their views on migration and mobility mattersTourism Visa Advisory Group meetings to consult major tourism industry stakeholdersEducation Visa Consultative Committee meetings for consultations with key international education sector stakeholdersMinisterial Advisory Council on Skilled Migration discussions with leading industry, union and government representatives on skilled migration policy, including a review of the Consolidated Skills Occupations ListSkilled Migration Officials Group meetings with state and territory government representatives on skilled migration policy457 visa reform meetings to consult business and industry representatives on changes to the subclass 457 visa programme. The Department received responses to the following public discussion/position papers: <ul style="list-style-type: none">Review of the Temporary Skilled Migration Income Threshold of the Subclass 457 Programme – 4 March 2016Australia’s Humanitarian Programme 2016–17 – 27 March 2016Introducing a Temporary Visa for Parents – 31 October 2016Strengthening the test for Australian Citizenship – 20 April 2017 Discussions were held with national advisory groups, regional stakeholder groups and inter-departmental committees on immigration and citizenship policy. The views gained through these activities will inform future policy planning and development, including work to reform the visa, immigration, and citizenship framework to support a prosperous, secure, and modern Australia.	

Table 5: SPM 1.4 – Effective partnerships both within and outside Australia build a strong economy

KPI 1.4.3 Industry partners are involved in trade and customs policy development process through outreach and engagement activities

Target:

No target

Source:

Corporate Plan 2016–17 p. 31.

Result:

The Department's *Industry Engagement Strategy 2020*, launched at the Industry Summit on 19 November 2015, underpins engagement with industry. During 2016–17 the Department provided opportunities for two-way engagement for industry stakeholders with Government, including:

- the Industry Summit, the Department's annual industry engagement event. It brought together more than 300 senior industry and Australian Government representatives to discuss strategic immigration, border protection, and trade facilitation issues
- regular meetings with peak industry bodies such as the CBFA and CAPEC
- meetings of the National Sea Passenger Facilitation Committee, involving relevant stakeholders from industry and government to develop and implement initiatives to improve international sea passenger movements and set out a vision for the future of sea travel. The forum recently agreed on a sea traveller vision and will begin work to develop a Trusted Operator Model to achieve this
- meetings of the National Passenger Facilitation Committee, a decision-making body that provides a strategic forum for government agencies and industry to improve movements of passengers through airports while maintaining appropriate border security. Its objective is to maintain a safe, secure civil aviation environment in which services are delivered reliably and efficiently
- the work of the NCTF, which oversees the implementation of Australia's obligations under the World Trade Organization's Trade Facilitation Agreement (TFA). Membership includes representatives from Australian government agencies, customs brokers, freight forwarders, importers, exporters and business councils. In November 2016, the NCTF advised industry of major changes to the Harmonized System of Tariff Classification; agreed a forward work programme to build on the entry into force of the TFA; and secured industry participation in a new Single Window Working Group. In March 2017 the meeting of the NCTF legislative working group sought industry input on forthcoming legislation, including proposed changes to the *Customs Act 1901* and the *Customs Tariff Act 1995*.

The Department also runs workshops and consultation sessions so that industry partners are afforded every opportunity to be involved in trade and customs policy development.

KPI 1.4.4 Effective industry engagement through Australian Trusted Trader Programme increases facilitation of legitimate goods across the border resulting in a stronger economy

Target:

To be reported from 2017–18

Source:

Corporate Plan 2016–17 p. 31.

Result:

Engaging with businesses during and after the accreditation process, the ATT Programme works to secure the international supply chain while facilitating the movement of legitimate trade.

SPM 1.4 Case study

WORLD-CLASS TRADE BENEFITS: THE AUSTRALIAN TRUSTED TRADER PROGRAMME

Australian businesses enjoy a range of world-class trade-facilitation benefits following the implementation of the Australian Trusted Trader (ATT) Programme on 1 July 2016.

ATT is open to eligible Australian businesses that are active in the international supply chain. It aims to strengthen companies' international competitiveness by streamlining processes at the border, reducing red tape and making faster access to market possible.

ATT is a voluntary initiative that was co-designed with industry. It recognises businesses that have a secure supply chain and compliant trade practices.

Trusted Traders also have the opportunity to work in partnership with the Department to influence the programme's policy direction and take part in trials of new initiatives.

A key benefit for industry is access to mutual recognition arrangements (MRAs)—formal arrangements between customs administrations internationally that recognise Authorized Economic Operator (AEO) programmes, and provide reciprocal benefits to another country's trusted partners.

The Department signed its first MRA with the New Zealand Customs Service in July 2016. It will deliver a mutually beneficial outcome that increases both nations' contributions to international supply chain security and trade facilitation. It is anticipated that by 2020 this MRA will facilitate up to 13 per cent of New Zealand's import volume—totalling \$3 billion—to Australia, as well as \$7.5 billion of Australian exports to New Zealand.

In 2016–17 the Department actively worked to finalise MRAs with the Korea Customs Service, the Canada Border Services Agency and the Hong Kong Customs and Excise Department. The Department also reaffirmed AEO cooperation with China.

By improving Australia's international trade competitiveness, the nation will benefit from greater job opportunities and investment, strengthening our economy and ultimately national security.

For more information, visit the Australian Trusted Trader website¹⁷.



¹⁷ www.border.gov.au/trustedtrader



PURPOSE 2: MANAGE THE MOVEMENT AND STAY OF PEOPLE
TO CONTRIBUTE TO A COHESIVE SOCIETY

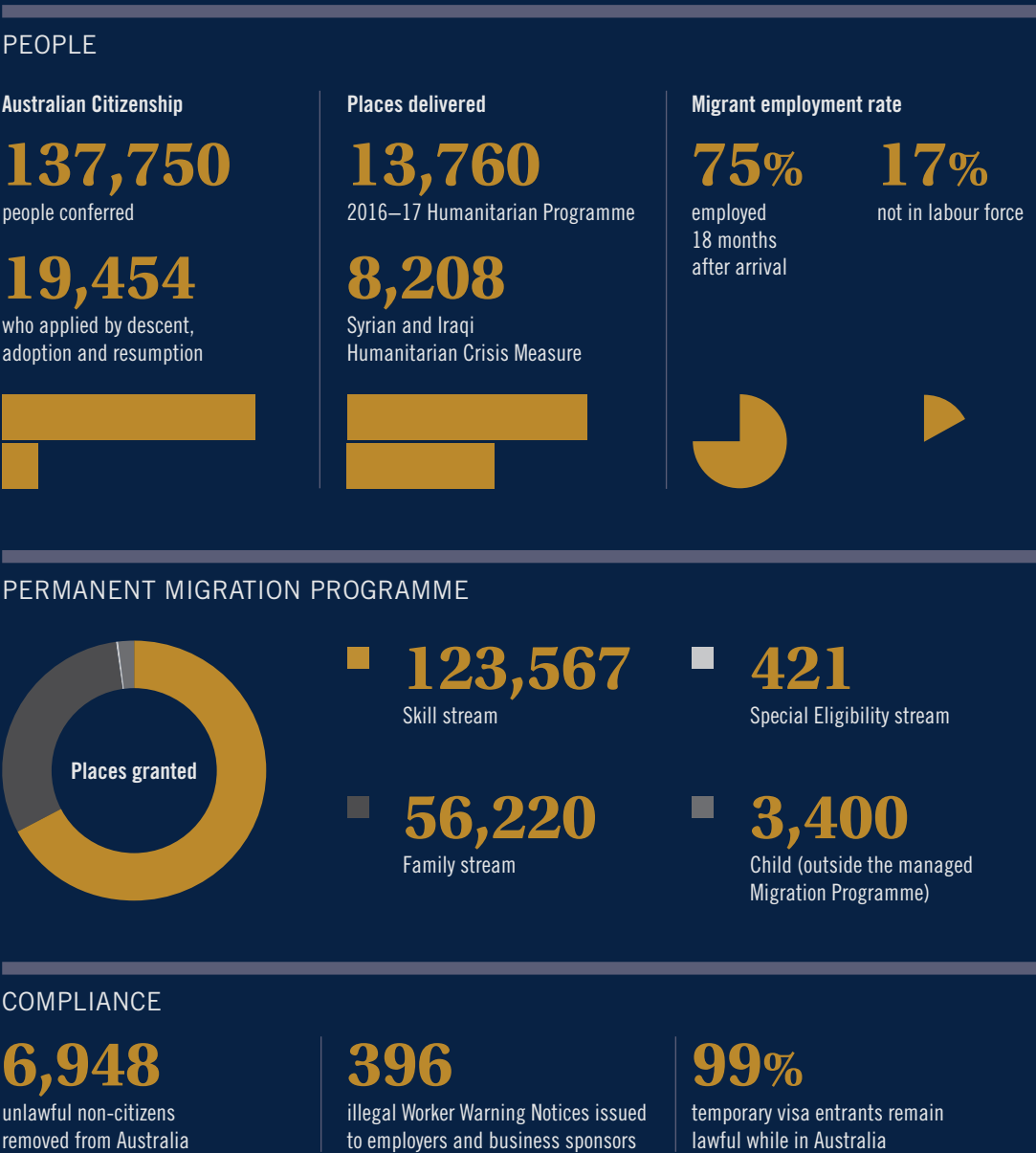
Table 6: Purpose 2 performance criteria		
This Purpose encompasses:		
<i>Corporate Plan 2016–17</i>	Strategic Performance Measure 2.1: Australia’s visa programmes provide a strong foundation for social cohesion	
	Strategic Performance Measure 2.2: Australian citizenship is valued	
	Strategic Performance Measure 2.3: Australia contributes to the global management of refugees and displaced populations	
	Strategic Performance Measure 2.4: The integrity of visa programmes is strengthened by effective regulatory and enforcement activities	
<i>Portfolio Budget Statements 2016–17</i>	Outcome 1: Protect Australia’s sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.	Program 1.2: Border Management
		Program 1.3: Onshore Compliance and Detention
	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 2.4: Refugee and Humanitarian Assistance

The Department had a key role in contributing to Australia’s social cohesion during 2016–17. This included the provision of family reunification and other non-skills-based migration pathways, fostering shared values and observance of Australia’s laws, and ensuring that Australian citizenship represented a valued step towards

becoming part of Australian society. The Department supported these activities with a robust compliance system, ensuring that risks were adequately managed. In addition, the Department contributed to social cohesion by maintaining a Refugee and Humanitarian Programme which responded effectively to global humanitarian situations

and met the specific needs of these entrants. The Department collaborated with other Australian Government agencies, including the Department of Human Services, the Department of Social Services, and the Attorney General’s Department to achieve this purpose.

Figure 5: Purpose 2 Performance snapshot¹⁸



¹⁸ Exact figures available at Years at Glance table on page 254 and the Results Table on pages 33–111.

SPM 2.1 AUSTRALIA'S VISA PROGRAMMES PROVIDE A STRONG FOUNDATION FOR SOCIAL COHESION

Analysis

During 2016–17, the Department continued to support Australian social cohesion and prosperity by managing migration and visa programmes, complementing the work of other Australian Government and state and territory agencies. The Department met its key performance indicators in delivering visa programmes that contribute to Australia's social and cultural diversity. It delivered all streams of the Migration Programme within planning levels set by Government. In total, the Department granted 8,411,187 visas under a range of temporary visa programmes that contribute to Australia's social and cultural diversity.

The size and composition of the 2016–17 Migration Programme was designed to meet Australia's economic and social needs, including its immediate and forecast

long-term social, economic and labour market needs, as well as Australians' family reunion needs, while taking account of the impact on infrastructure. Migration Programme planning levels were developed in consultation with key stakeholders, including state and territory governments, industry and business, community groups, academics, migration agent representative bodies and Australian Government agencies.

Evidence indicates that the public supports the Migration Programme and accepts that it meets society's needs. The Productivity Commission Inquiry Report *Migrant Intake into Australia*¹⁹ found that the current immigration system has generally served the interests of the broader community well. The Committee for Economic

Development of Australia's report *Migration: the economic debate*²⁰ noted that the Migration Programme has enjoyed very strong community support and is perceived to have contributed to the nation's economic development. *Mapping Social Cohesion—The Scanlon Foundation Surveys 2016*²¹ found a 'continuing low level of concern over issues of immigration'. Thirty-four per cent of the 1500 respondents to this survey thought that the immigration intake was too high, the lowest proportion recorded since 2007. This result is similar to the findings of other recent polls and surveys conducted by the Lowy Institute, the Australian National University and Roy Morgan Research²².

The Department's temporary visa programmes also support social cohesion by

19 www.pc.gov.au/inquiries/completed/migrant-intake/report/migrant-intake-report.pdf

20 www.ceda.com.au/CEDA/media/ResearchCatalogueDocuments/Research%20and%20Policy/PDF/32509-CEDAMigrationReportNovember2016Final.pdf

21 www.scanlonfoundation.org.au/wp-content/uploads/2016/11/2016-Mappings-Social-Cohesion-Report-FINAL-with-covers.pdf

22 www.lowyinstitute.org/publications/lowy-institute-poll-2016, www.roymorgan.com/findings/6507-australian-immigration-population-october-2015-201510200401, www.rsss.anu.edu.au/sites/default/files/images/ANU_36078_APER_FA.PDF,

enhancing the exchange of knowledge and innovation. The Department granted a record 343,035 visas to students, 5,345,684 visas to visitors, and 211,011 to working holiday makers. Australia's social and cultural diversity provides a competitive advantage in attracting international students, visitors, and people on youth exchange, and encourages international connections. The Temporary Activity (subclass 408) visa, which was introduced on 19 November 2016, allows people to come to Australia on a temporary basis to participate in activities enhancing people-to-people connections. They include religious work, work in the entertainment industry, and activities that provide cultural enrichment and community benefit.

The Family stream of the Migration Programme contributed to social

cohesion by providing opportunities to strengthen family and community bonds within Australia. It did so by preserving family unity where possible, always protecting the best interests of children, and enabling people to receive care and support from family members in Australia so that they were not excluded from the community. The Department introduced new measures to better protect sponsored family visa applicants. On 18 November 2016 a new Regulation came into effect requiring sponsors of partner and prospective marriage visa applicants to provide a police clearance to the Department. Sponsors must also consent to share relevant information about any criminal history with the visa applicant. If this does not occur, an application may be refused. The initiative aims to prevent people with serious and violent criminal records

from sponsoring potentially vulnerable spouses.

Within Australia's Humanitarian Programme, both the Special Humanitarian Programme (SHP) and the Community Proposal Pilot engaged families, community and business organisations to support the resettlement of humanitarian entrants, thus strengthening social cohesion. From 1 July 2017 the Community Support Programme (CSP) replaced the pilot, which had been operating since 2013. It will enable communities and businesses to sponsor applicants and support new arrivals, including through employment and settlement support. Greater community and business engagement in resettling refugees benefits refugees as well as the wider community by contributing to social cohesion and stimulating economic and community participation.

The Department continues to promote the importance of positive labour market outcomes as an indicator of successful settlement and integration into Australian society. The Social Research Centre's *Continuous Survey of Australia's Migrants* (CSAM)²³, conducted on behalf of the Department, measures the labour-market integration of recently arrived migrants in the Skill

and Family streams at the six and 18 month points following arrival. The survey provides information on the effectiveness of these programmes and aspects of economic integration and social cohesion. In 2016–17 the Department met all its key performance indicators relating to the labour-market outcomes of migrants in Australia, as reported by the CSAM.

23 www.border.gov.au/about/reports-publications/research-statistics/research/live-in-australia/continuous-survey-of-australias-migrants-csam

Results

Table 7: SPM 2.1 – Australia’s visa programmes provide a strong foundation for social cohesion

KPI 2.1.1 The non-skilled component of the managed migration programme is delivered within planning levels set by the Government for each category

Target: Delivery within Government targets

Source: *Corporate Plan 2016–17* p. 32.
Program 2.2 PBS p. 44.

Result: The Department granted over 183,600 permanent places to new migrants in 2016–17 to meet Australia’s skill and family needs. Of the permanent places granted, Family and Special Eligibility stream visas totalled more than 56,600.

KPI 2.1.2 Migration planning levels consider the needs of society

Target: No target

Source: *Corporate Plan 2016–17* p. 32.

Result: Planning levels for the 2016–17 Migration Programme considered the needs of society and evidence indicated that the majority of Australians considered the immigration intake to be acceptable. *Mapping Social Cohesion – The Scanlon Foundation Surveys 2016* found ‘continuing low level of concern over issues of immigration’. Only 34 per cent of the 1500 respondents to this survey thought that the immigration intake was too high, the lowest proportion recorded since 2007. This result is similar to the findings of other recent polls and surveys conducted by the Lowy Institute, the Australian National University and Roy Morgan Research.

KPI 2.1.3 Deliver a range of temporary visa programmes that appropriately contribute to Australia’s social and cultural diversity:

2.1.3.1 number of visa decisions

2.1.3.2 percentage that were decided within service standards

Target: No target

Source: *Corporate Plan 2016–17* p. 32.

Result:

2.1.3.1 number of visa decisions – 252,561

2.1.3.2 percentage that were decided within service standards – 69.4%

KPI 2.1.4 Labour market outcomes of surveyed migrants 18 months after arrival/visa grant as reported in the Continuous Survey of Australia’s Migrants:

2.1.4.1 percentage employed

2.1.4.2 percentage unemployed

2.1.4.3 percentage not in labour force

Target:

Source: *Corporate Plan 2016–17* p. 32.

2.1.4.1 percentage employed – $\geq 70\%$

2.1.4.2 percentage unemployed – $< 10\%$

2.1.4.3 percentage not in labour force – $< 20\%$

Result:

2.1.4.1 percentage employed – 75.0%

2.1.4.2 percentage unemployed – 8.1%

2.1.4.3 percentage not in labour force – 16.9%

SPM 2.1 Case study

AN ADDITIONAL PERMANENT RESIDENCE PATHWAY FOR NEW ZEALAND CITIZENS

The strong economic and cultural ties between Australia and New Zealand has meant a free flow of people between the countries under various arrangements since the 1920s.

The current arrangement is the 1973 Trans-Tasman Travel Arrangement (TTTA), which allows Australian and New Zealand citizens to enter each other's country without needing to apply for authority to do so. In 1994 the Special Category (subclass 444) visa (SCV) was introduced to meet Australia's universal visa requirement while respecting the Trans-Tasman agreement. Although the SCV allows New Zealand citizens to remain in Australia indefinitely, it has always been a temporary visa.

All non-citizens, regardless of nationality, must hold a permanent residence visa to be eligible to apply for Australian citizenship. New Zealand citizens seeking to apply for a permanent visa have always been encouraged to explore the range of options available under the Family and Skill streams of the Migration Programme.

On 19 February 2016 the Australian Government announced an additional pathway to permanent residence acknowledging the two countries' special bilateral relationship. The intent of this measure is to recognise the ongoing commitment and contribution made to Australia by New Zealand citizens living in and contributing to the Australian community.

From 1 July 2017, many New Zealand citizens who have been living in Australia for at least five years and who show a commitment and continuous contribution to Australia will be able to apply for the new stream within the Skilled Independent (subclass 189) visa.

The Skilled Independent (subclass 189) (New Zealand) stream is an additional visa option for SCV holders who were usually resident in Australia on or before 19 February 2016 and who, at the time of lodging an application, have lived in Australia for at least five years. These arrangements will give many New Zealand citizens permanent residence status if they meet certain criteria, including:

- contributing to Australia, demonstrated through income tax returns which show assessable income at least equivalent to the Temporary Skilled Migration Income Threshold (TSMIT) for the qualifying period
- meeting mandatory health, character and security checks.

New Zealand citizens who are granted this visa will be eligible to apply for Australian citizenship after a period of 12 months, in addition to the five years' residence as an eligible New Zealand SCV holder.





SPM 2.2 AUSTRALIAN CITIZENSHIP IS VALUED

Analysis

Citizenship unifies our multicultural nation and helps to build a cohesive society by providing individuals with the opportunity to demonstrate a commitment to the Australian people, Australian values and a common future. Citizenship is a privilege to be valued.

The Department delivered the Citizenship Programme during 2016–17 when 157,204 people acquired citizenship by conferral, descent, adoption (under full and permanent Hague Convention or bilateral arrangement) or resumption. The Citizenship Programme also delivered 42,450 approved applications for evidence of Australian citizenship, up 63.1 per cent from 2015–16, and 166 renunciations of citizenship, up 25.8 per cent from 2015–16.

On 20 April 2017 the Australian Government announced a package of reforms to strengthen requirements for Australian citizenship. The changes include:

- increasing the general residence requirement
- introducing an English-language test
- strengthening the Australian values statement
- strengthening the test for Australian citizenship
- introducing a requirement for applicants to demonstrate their integration into the Australian community
- strengthening the Pledge of Commitment.

These reforms are subject to the passage of the Australian Citizenship Legislation Amendment (Strengthening the Requirements for Australian Citizenship and

Other Measures) Bill 2017, which was introduced to Parliament on 15 June 2017.

The Department continued to promote the value of Australian citizenship in 2016–17 through stakeholder and community engagement activities, including:

- working with local government councils around Australia that host most of the citizenship ceremonies on behalf of the Department
- working with the National Australia Day Council to encourage the use of the Australian citizenship affirmation
- sponsoring Australia's Local Hero Award (one of four categories in the Australian of the Year Awards) for the 14th consecutive year to promote Australian values
- organising major citizenship ceremonies

for Australian Citizenship Day (17 September 2016) and Australia Day (26 January 2017).

The Department used its communications and media resources effectively to promote these events and activities and to reinforce the value of Australian citizenship. Analysis of media coverage of Australia Day in January 2017 found that 858 items on TV, radio, newspapers, online news and social media reached more than 23 million people.

The Department also enhanced community protection, identity management and quality assurance in managing the Citizenship Programme, introducing a range of caseload assurance measures to improve identity verification, quality assurance and risk management.

The largest component of the Citizenship Programme is citizenship by conferral. The number of people acquiring citizenship by conferral has risen by 63.6 per cent over the past five years, from 84,183 in 2011–12 to 137,750 in 2016–17. This increase, coupled with enhanced integrity processes and increasing case complexity, has led to changes to processing times.

The Department has changed the way it provides information to clients and average citizenship application processing times on its website with a view to increasing transparency for clients. Ninety per cent of people who acquired citizenship by conferral in 2016–17 did so within 11 months of lodging their applications.

Those who chose to become Australian citizens in 2016–17 made a commitment to Australia's democracy and way of life. That commitment, made by five million individuals since 1949, has helped to secure and enrich our nation. The Citizenship Programme continues to provide new migrants with the opportunity to be full and active participants in Australian society, thereby contributing to unifying Australia's multicultural society and building social cohesion.

Results

Table 8: SPM 2.2 – Australian citizenship is valued	
KPI 2.2.1 Number of visits to the Citizenship Wizard on DIBP’s website	
Target: >300,000	Source: <i>Corporate Plan 2016–17</i> p. 33. Program 2.1 PBS p. 42.
Result: 1,446 In 2016–17 the Citizenship Wizard was moved to a less visible location on the Department’s website, resulting in a significant reduction in visits.	
KPI 2.2.2 Number of applications for citizenship lodged	
Target: No target	Source: <i>Corporate Plan 2016–17</i> p. 33. Program 2.1 PBS p. 42.
Result: 222,907 ²⁴ The Australian Citizenship Programme is demand-driven and the Department experienced a sustained high level of demand from people wanting to become Australian citizens. The number of applications lodged by primary and dependent applicants increased by 2 per cent from 2015–16 to 2016–17.	
KPI 2.2.3 Percentage of citizenship conferral decisions made within service standards	
Target: 80%	Source: <i>Corporate Plan 2016–17</i> p. 33. Program 2.1 PBS p. 42.
Result: 45% The Department is working through an unprecedented number of citizenship applications, and some may take longer to be decided if they are particularly complex: if, for example, more information is required or additional checks outside the Department are needed. The Department has moved to publishing average citizenship processing times on its website to increase transparency for clients.	
KPI 2.2.4 Percentage of refusal decisions for Australian citizenship overturned through an appeal process	
Target: <1%	Source: <i>Corporate Plan 2016–17</i> p. 33. Program 2.1 PBS p. 42.
Result: <1% At 30 June 2017 less than 1 per cent of refusal applications were overturned after Administrative Appeals Tribunal review.	

24 Number of applications for citizenship lodged in the financial year, including the conferral, descent, adoption and resumption caseloads.

Table 8: SPM 2.2 – Australian citizenship is valued**Other performance evidence**

Number of individuals who acquired citizenship by conferral	137,750
Number of individuals who applied for citizenship by descent	19,236
Number of individuals who applied for citizenship through adoption (under full and permanent Hague Convention or bilateral arrangement)	52
Number of primary applicants who applied for citizenship through resumption	166
Number of individuals who received evidence of citizenship	42,450
Number of individuals who renounced citizenship	166
Number of individuals who had their citizenship revoked	≤5
Number of conferral applications for primary and dependent applicants refused	4,151
Number of people who acquired citizenship on Australia Day 2017	15,655
Number of people who acquired citizenship on Citizenship Day (17 September 2016)	1,734
Number of citizenship ceremonies (noting that most are hosted by local government councils)	3,130

SPM 2.2 Case study

STRENGTHENING FAMILY PROTECTION

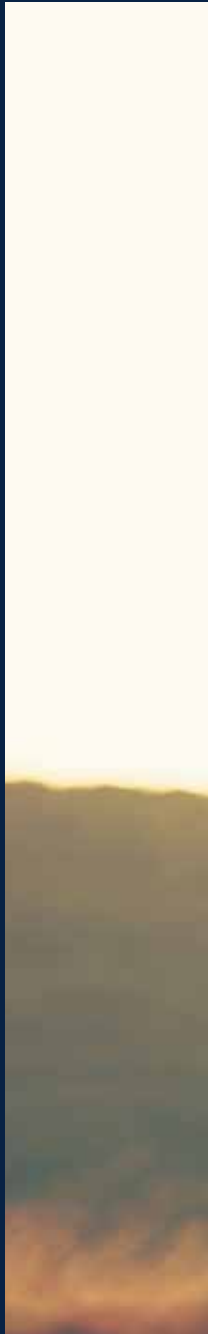
The Family stream facilitates the reunion of family members. It strengthens the stability of families in Australia, particularly for permanent skilled migrants, and supports the growth of the Australian economy. Partners, children (including adopted children), parents and other family members are included in the programme, which is designed to complement skilled migration as well as reuniting Australian citizens with their families.

In November 2016 the Government introduced new measures to strengthen protection against family violence within the migrant community. New powers were inserted into the Migration Regulations to allow the Department to compel sponsors of partner and prospective marriage visa applicants to provide police checks; and gave the Department the power to refuse to approve sponsorship if the sponsor does not provide the requested police checks or if they have convictions for certain serious offences.

The new provisions also allow the Department to approve a sponsorship if it is considered reasonable to do so, as well as to disclose the sponsoring partner's convictions for relevant offences to the visa applicant.

These disclosure provisions allow an applicant to make a more informed decision about continuing with their application.

Since these new powers were introduced, at least five sponsorships have been refused because convictions for relevant offences indicated a high likelihood that the sponsor would commit acts of violence against their partner.





SPM 2.3 AUSTRALIA CONTRIBUTES TO THE GLOBAL MANAGEMENT OF REFUGEES AND DISPLACED POPULATIONS

Analysis

Australia continues to play an active role in the international protection of refugees, reflected in the 2016–17 Humanitarian Programme and humanitarian assistance. Resettlement and assistance programmes are targeted to help those most affected by global humanitarian crises and to provide ongoing support to displaced populations overseas, helping to stabilise them and prevent the onward movement of people from countries of first asylum. These programmes are carried out in line with Government priorities, and with the safety and security of the Australian people as the foremost consideration.

The Department delivered the Government's commitment to resettle 12,000 Syrians and Iraqis displaced by the crisis in the Middle East. The last 8208 places were granted in March 2017. It brought to 22,398

the total number of places granted to Syrian and Iraqi nationals since 1 July 2015, encompassing both the Humanitarian Programme and the additional 12,000 places allocated under the Syrian and Iraqi Humanitarian Crisis Measure.

Places were granted to persecuted minorities, in particular women, children and families displaced by the conflicts in Syria and Iraq who have the least prospect of safe return to their home country. In total 4010 places were granted to women, 4358 to children and 11,863 to families. Local communities have welcomed the new arrivals, who are receiving settlement services. These include English classes and employment assistance to ensure that they have the support needed to participate actively in Australian society, including through employment.

All potential Syrian and Iraqi entrants were assessed in line with strict security procedures.

The Humanitarian Programme was fully delivered in 2016–17, with 13,760 visas granted. This means that Australia remained in the top three countries for resettlement of UNHCR-referred refugees. During 2016–17, 12,049 visas were granted in the offshore component and 1711 visas in the onshore component of the programme. Within the offshore component, 6642 were granted under the Refugee category and 5407 were delivered under the Special Humanitarian Programme. A total of 1607 visas were also granted to vulnerable women, children and dependents. This programme year was the third and last year of the Community Proposal Pilot, which allowed people and organisations

to directly sponsor those in humanitarian need to come to Australia. In all, 608 people were granted visas to Australia under this pilot. The initiative has transitioned to the permanent Community Support Programme for future years. The Department also acted to rapidly resolve manifestly unfounded claims made by non-citizens onshore who were seeking to prolong their stay in Australia. This resulted in the refusal of more than 6253 permanent protection visa applications during 2016–17.

The Department also provided humanitarian care and management services to displaced populations through its International Capacity Building Programme. Activities delivered through funding arrangements with non-government organisations provided emergency assistance to over 230,000

people displaced by conflicts in Syria and Iraq, as well as return and reintegration assistance to more than 49,000 refugees across Tamil Nadu, India, and Sri Lanka. In total, over 386,000 people received assistance from our cooperation and capacity-building activities.

Over the programme year, the Department accelerated the resolution of protection claims made by illegal maritime arrivals (IMAs) within the legacy caseload, with approximately 41 per cent of the caseload now decided. In 2016–17, 7866 primary decisions and 8000 final decisions were made. The Department also completed all eligibility assessments for the legacy caseload, with 1855 vulnerable IMAs referred for funded application assistance under the Primary Application and Information Service.

Reminder letters issued from December 2016 to IMAs who were yet to lodge an application prompted increased applications for Temporary Protection (subclass 785) visas and Safe Haven Enterprise (subclass 790) visas. Altogether, 2432 reminder letters were sent to IMAs who had been invited to apply for a Temporary Protection or Safe Haven Enterprise visa before 30 June 2016. Of those IMAs who were sent a reminder letter, 1909 lodged applications. During 2016–17 IMAs lodged a total of 15,181 applications. The Department will continue its strong focus on resolving the IMA legacy caseload in 2017–18, consistent with the announcement of a 1 October 2017 deadline for IMAs to apply for temporary protection.

The Department has implemented new processes and procedures to increase

the rate of temporary protection decisions without compromising national security or programme integrity. A rigorous programme assurance framework was implemented in 2016–17, together with more targeted country information to ensure a high level of confidence and consistency in decision-making.

The Department continued to make a strong contribution to assisting refugees and displaced populations while maintaining Australia's national security. Throughout 2016–17 work focused on ensuring that those most in need were offered Australia's protection and assistance, and that entry and stay by non-citizens who would seek to do harm,

disguise their identity or make manifestly unfounded protection claims was prevented. The Department ensured that its capability, systems and processes were calibrated to support delivery of the Humanitarian Programme as it increases to 16,250 places in 2017–18 and 18,750 places in 2018–19.

Results

Table 9: SPM 2.3 – Australia contributes to the global management of refugees and displaced populations

KPI 2.3.1 Number of places delivered in the 2016–17 Humanitarian Programme (excluding Syrian and Iraqi Humanitarian Crisis Measure)

Target:
13,750

Source: *Corporate Plan 2016–17* p. 34.
Program 2.4 PBS p. 27.

Result:
13,760

KPI 2.3.2 12,000 places delivered to Syrian and Iraqi refugees as part of the Syrian and Iraqi Humanitarian Crisis Measure by 2018–19

Target:
7,000

Source: *Corporate Plan 2016–17* p. 34.
Program 2.4 PBS p. 27.

Result:
8,208

KPI 2.3.3 IMA legacy caseload:

2.3.3.1 the number of indicative primary decisions²⁵ made

2.3.3.2 the number of finalised cases²⁶

Target:

2.3.3.1 the number of indicative primary decisions made – 9,100
2.3.3.2 the number of finalised cases – no target

Source:

Corporate Plan 2016–17 p. 34.

Result:

2.3.3.1 the number of indicative primary decisions made – 7,656
2.3.3.2 the number of finalised cases – 8,000

KPI 2.3.4 Number of people receiving humanitarian assistance through capacity-building projects in other countries

Target:

No target

Source:

Corporate Plan 2016–17 p. 34.

Result:

386,150

KPI 2.3.5 Australia's ranking relative to other countries for resettlement of UNHCR-referred refugees, as reported by the United Nations High Commissioner for Refugees²⁷

Target:

Ranked 3rd

Source:

Corporate Plan 2016–17 p. 34.

Result:

Ranked 3rd

²⁵ Pending health, character and security checks. Note that these decisions are indicative only.

²⁶ Includes cases which are finalised following merits and judicial review.

²⁷ Ranking based on most recent edition of the *UNHCR Statistical Yearbook* at the time of reporting.

SPM 2.3 Case study

AUSTRALIA ASSISTS PEOPLE DISPLACED BY CONFLICTS IN SYRIA AND IRAQ

Khaled Naanaa worked as a surgical nurse at Syrian Government hospitals in Damascus. In 2011 he became part of an underground medical network treating wounded opposition supporters. In 2012 he moved to the opposition-held town of Madaya, near Damascus, where he helped set up a medical clinic and continued to work with people in need. By July 2015 Madaya was under siege. With access to food and medical supplies blocked and 30,000 to 40,000 people starving, Khaled went to the media to seek help. Extensive media coverage caused mounting international pressure, and the Syrian Government granted permission for the UN and the Red Cross to deliver food to the people of Madaya. Shortly after this, Khaled received death threats and was forced into hiding. He fled with his family to Lebanon, where they were granted visas as part of the Australian Government's additional 12,000 places for people displaced by conflicts in Syria and Iraq.

Khaled Naanaa's story shows the realities many refugees face, and the important role countries like Australia play in contributing to the global management of refugees and displaced people. From 2015 to 30 June 2017, under both the annual Humanitarian Programme and the fully-delivered additional 12,000 places, Australia granted a total of almost 22,400 visas to people displaced by conflicts in Syria and

Iraq. New arrivals are receiving a warm welcome from their local communities and excellent support from settlement services that is helping them to learn English, gain employment and play an active part in Australian life. Australia continues to provide high levels of humanitarian resettlement, with an increased 16,250 places in 2017-18, rising to 18,750 places in 2018-19.





SPM 2.4 THE INTEGRITY OF VISA PROGRAMMES IS STRENGTHENED BY EFFECTIVE REGULATORY AND ENFORCEMENT ACTIVITIES

Analysis

During 2016–17 the Department’s regulatory and enforcement activities contributed to the protection and good order of the Australian community. These activities, which are risk-based, support and strengthen the integrity of visa programmes and are integral to managing the movement and stay of people in Australia.

Overall, compliance with Australia’s visa programmes remained high in 2016–17, with more than 99 per cent of more than 7.1 million temporary arrivals remaining lawful while in Australia. The Department managed the removal of 6948 non-citizens from onshore immigration detention, compared with 4754 in 2015–16. These increased outcomes reflect the ongoing operational activity in removals as part of the broader status resolution framework.

Voluntary compliance is the primary approach for resolving the immigration status of people who have overstayed their visa, had their visa cancelled, or have entered Australia without authority. The Department uses a number of communication and awareness activities, as well as providing support services, to resolve people’s status. In all, 75 per cent of people voluntarily engaged with the Status Resolution Programme, an increase on the 74 per cent achieved in the 2015–16 reporting period.

The ratio of people the Department managed in the community on Bridging E visas (BVEs) in 2016–17, compared with those in held detention, was 25 to 1. This was above the ratio for the previous financial year, when only 17 people were managed on BVEs for every 1 in immigration

detention. The Department sought to resolve the status of 33,322 non-citizens, with 31,507 being managed in the community on BVEs. Unlawful non-citizens are placed in immigration detention or managed in the community based on risk. At 30 June 2017, with the use of a decision support tool, 98.5 per cent of detainees had their placement assessed within 14 days of entry into immigration detention.

The Department has statutory powers that can be used to cancel visas held by non-citizens who pose a risk to the Australian community, including those who pose a security threat or have engaged in criminal activity. In addition, general cancellation powers are used in support of visa caseload assurance priorities by addressing issues such as visa fraud, breach of visa conditions and identity

concerns. In 2016–17 the Department cancelled 1837 visas and refused 637 visa applications on security or character grounds. A further 55,324 visas were cancelled using general cancellation powers.

During the reporting period the Department undertook 979 employer awareness activities with business, industry and stakeholder groups to encourage voluntary compliance with employer obligations. A key strategy is the promotion of visa entitlement verification online (VEVO) checks as a reasonable step to assess whether a non-citizen is allowed to work. In 2016–17, 10,627 new businesses registered to use VEVO. Overall, 8,056,438²⁸ VEVO checks were conducted in 2016–17 compared with 6,150,844 in 2015–16, an increase of 31 per cent. The Department

issued 396 Illegal Worker Warning Notices to educate businesses about their responsibilities when hiring non-citizens and to warn them of the consequences of continued breaches. A total of 12 infringement notices were issued to non-compliant employers.

The ABF undertook 287 sponsor site visits to monitor compliance with sponsorship obligations, compared with 541 in 2015–16. As a result of non-compliance with their obligations, 447 business sponsors were sanctioned (had their sponsorships cancelled and/or barred), 158 were warned and 16 were issued with an infringement notice.

The Department released the *Child Safeguarding Framework*²⁹ on 17 October 2016, in response to the Child Protection Panel's Initial Priorities for Reform paper

delivered on 17 December 2015. The framework is designed to formalise a strong, transparent and active departmental culture that makes the safeguarding and wellbeing of children a priority and does not tolerate child abuse.

Since the framework was released, the Department has developed three safeguarding policies, 16 supporting materials and two standard operation procedures. Two tranches of the Child Safeguarding eLearning package are available for staff and service providers.

The framework acknowledges the statutory rights of state and territory government child welfare authorities in protecting and promoting the safety and wellbeing of children. As such, the Department began establishing memoranda of understanding (MoUs) with

28 Combination of VEVO organisational checks (3,498,368) and VEVO self-checks (4,558,070).

29 www.border.gov.au/ReportsandPublications/Documents/child-safeguarding-framework.pdf

these authorities to provide child protection services in immigration detention environments and, more broadly, to support children in the Unaccompanied Humanitarian Minors (UHM) Programme. At 30 June 2017 MoUs had been signed with New South Wales, Victoria, the Australian Capital Territory and Tasmania, and significant progress had been made towards establishing MoUs with the other states and territories.

The Department faces challenges in making sure that enforcement and regulatory activities keep pace with developments in technology and evolving integrity, security and character threats. Additionally, the Department

foresees an increase in status-resolution cases due to changes in visa policies and the processing of cohorts such as the IMA legacy caseload.

These challenges mean that the Department needs to remain innovative and responsive. It is committed to remaining engaged with stakeholders and to continuously evaluating internal processes and activities to develop enforcement and regulatory activities that support and strengthen the integrity of visa programmes and contribute to the protection and good order of Australian society.

Overall, the Department's enforcement and regulatory activities have strengthened

the integrity of visa programmes and have contributed to the protection and good order of the community. The Department actively pursued status resolution, and those with no right to remain in Australia departed voluntarily or were removed. The Department continues to promote voluntary compliance with visa conditions and obligations as the primary approach, applying enforcement activities such as cancellation powers, the location, detention and removal of unlawful non-citizens, and sanctions to address non-compliance. It achieved strong results through a number of initiatives in 2016–17.

Results

Table 10: SPM 2.4 – The integrity of visa programmes is strengthened by effective regulatory and enforcement activities

KPI 2.4.1 Employers are encouraged to voluntarily comply through the delivery of employer awareness activities

Target:

No target

Source: *Corporate Plan 2016–17* p. 35.

Program 1.3 PBS p. 34.

Result:

979³⁰

KPI 2.4.2 Voluntary compliance is the primary approach to avoiding breaches of visa conditions, evidenced by:

2.4.2.1 number of VEVO organisation checks

2.4.2.2 number of VEVO self-checks

2.4.2.3 new VEVO registrations

Target:

No target

Source: *Corporate Plan 2016–17* p. 35.

Program 1.3 PBS p. 34.

Result:

2.4.2.1 number of VEVO organisation checks – 3,498,368

2.4.2.2 number of VEVO self-checks – 4,558,070

2.4.2.3 new VEVO registrations – 10,627

KPI 2.4.3 Number of Illegal Warning Notices and/or Infringements issued under Employer Sanctions, Payment for Visa and Business Sponsor Obligations legislation frameworks

Target:

No target

Source: *Corporate Plan 2016–17* p. 35.

Program 1.2 PBS p. 32.

Result:

396 Illegal Worker Warning Notices and 12 Infringement Notices

KPI 2.4.4 Percentage of prosecution briefs completed as the result of a formal investigation under Employer Sanctions, Payment for Visa and Business Sponsor Obligations legislation frameworks

Target:

No target

Source: *Corporate Plan 2016–17* p. 35.

Program 1.2 PBS p. 32.

Result:

0

There have not been any formal investigations that warranted the Department to undertake a formal prosecution brief. Formal investigations usually do not end in the completion of a prosecution brief because the Department's preferred approach is to apply sanctions.

³⁰ The result reflects the number of employer awareness activities conducted during 2016–17 and shows the extent of the Department's work in this area. Figures were extracted from Departmental systems as at 7 July 2017. As data has been drawn from a live-systems environment, the figures provided may differ from previous or future reporting.

Table 10: SPM 2.4 – The integrity of visa programmes is strengthened by effective regulatory and enforcement activities

KPI 2.4.5 Unlawful non-citizens seeking status resolution are appropriately accommodated based on risk

Target:³¹

100%

Source:

Corporate Plan 2016–17 p.35.
Program 1.3 PBS p. 34.

Result:

98.5%

KPI 2.4.6 Implement the Detention Estate Management Plan in accordance with agreed budgets

Target:

100%

Source:

Corporate Plan 2016–17 p.35.

Result:

100%

KPI 2.4.7 Voluntary compliance is maintained as the primary approach to resolving the immigration status of people who have overstayed, had their visa cancelled, or who entered without authority:

2.4.7.1 percentage of people actively engaged with the status resolution programme who voluntarily approached the Department

2.4.7.2 ratio of people in the community lawfully on a Bridging E visa against those managed in immigration detention at 30 June

Target:

2.4.7.1 percentage of people actively engaged with the status resolution programme who voluntarily approached the Department – 75%

2.4.7.2 ratio of people in the community lawfully on a Bridging E visa against those managed in immigration detention at 30 June – at least 25:1

Source:

Corporate Plan 2016–17 p. 36.

Result:

2.4.7.1 percentage of people actively engaged with the status resolution programme who voluntarily approached the Department – 75%

2.4.7.2 ratio of people in the community lawfully on a Bridging E visa against those managed in immigration detention at 30 June – 25:1

31 The Department introduced the Community Protection Assessment Tool (CPAT) during 2016–17. CPAT is a decision support tool Status Resolution Officers use in making risk-based placement decisions. The Department requires officers to complete a CPAT assessment for all relevant persons within 14 days of being referred for status resolution consideration.

Table 10: SPM 2.4 – The integrity of visa programmes is strengthened by effective regulatory and enforcement activities

KPI 2.4.8 Number of unlawful non-citizens removed from Australia

Target:

No target

Source:

Corporate Plan 2016–17 p. 36.

Result:

6,948 removals from immigration detention in Australia

KPI 2.4.9 Percentage of temporary visa entrants that remain lawful while in Australia

Target:

>99%

Source:

Corporate Plan 2016–17 p. 36.
Program 1.2 PBS p. 32.

Result³²:

>99%

32 This measure seeks to evaluate the effectiveness of the Department's regulatory enforcement activities. The reported result of '>99 per cent' indicates that the majority of temporary visa holders remain lawful relative to the overall number of visa grants, and has been consistently reported in this manner for a number of years.

SPM 2.4 Case study

GENERAL CANCELLATIONS NETWORK RESPONDS SWIFTLY, FACILITATES VOLUNTARY REMOVAL

A non-citizen had spent considerable time in Australia on a working holiday visa and had developed a long-term relationship with an Australian citizen. Through its close working relationship with New South Wales Police, the Department was notified that the non-citizen was on bail awaiting a court outcome relating to charges of domestic violence.

The case was referred to the General Cancellations Network to consider cancellation of the non-citizen's visa. Due to the seriousness of the charges including assault occasioning bodily harm and wounding, and the risk the non-citizen's behaviour presented to a member of the Australian community – his partner – his working holiday visa was cancelled under section 116 of the *Migration Act 1958*. The man was detained and removed from Australia.

The General Cancellations Network was able to respond quickly to cancel the visa, ensuring the non-citizen was not able to commit further violent crimes and ceasing his right to work in Australia. Through the cancellation and status resolution processes, the Department removed the threat he posed to his Australian citizen partner and maintained the integrity of Australia's visa programmes.

People in this photograph have posed
for illustrative purposes only.





PURPOSE 3: MANAGE THE BORDER TO CONTRIBUTE TO A SAFER, SECURE AUSTRALIA

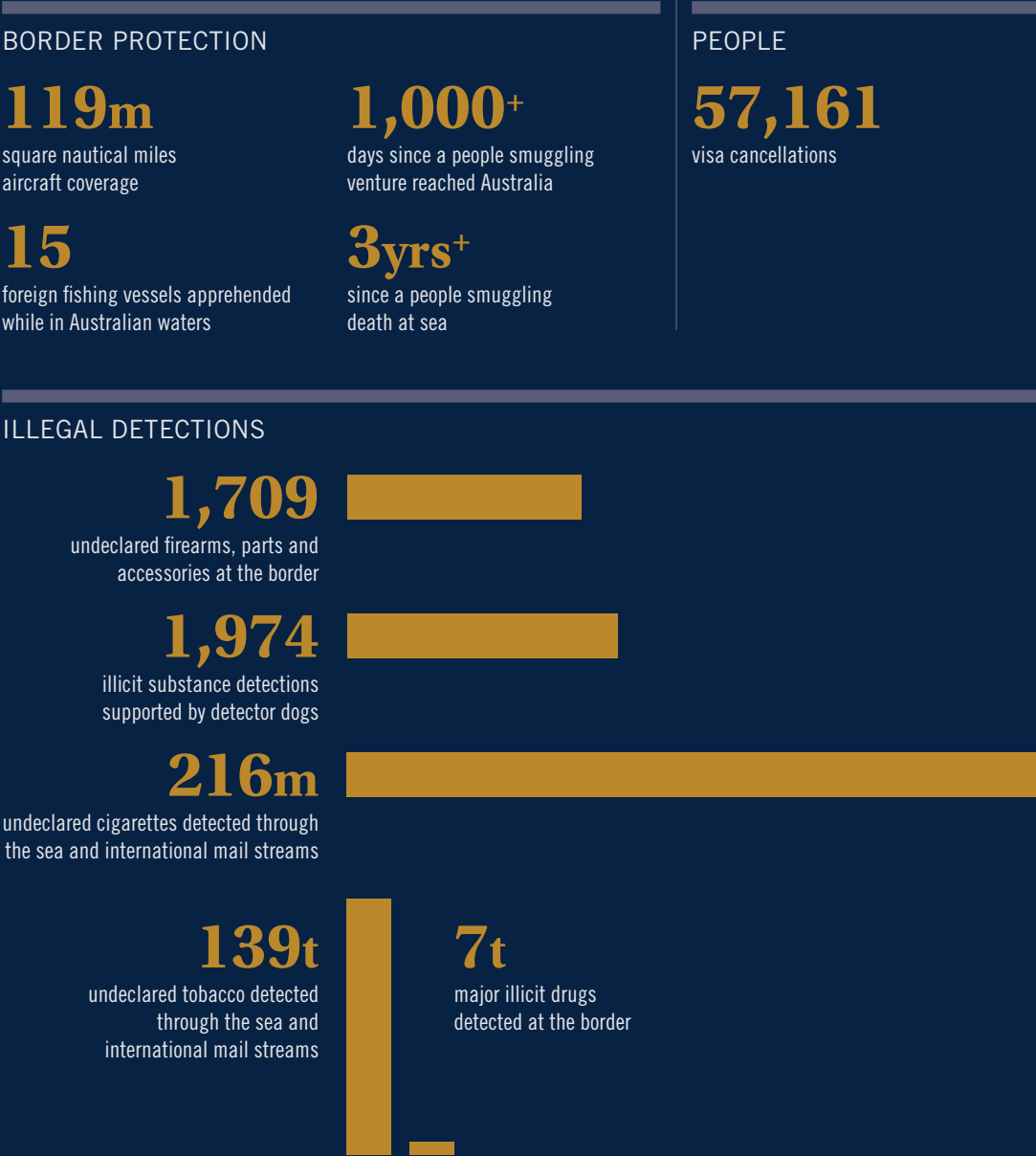
Table 11: Purpose 3 performance criteria		
This Purpose encompasses:		
<i>Corporate Plan 2016–17</i>	Strategic Performance Measure 3.1: Threats are detected before, at and after the border	
	Strategic Performance Measure 3.2: The border is strengthened through the control and surveillance of the maritime domain	
	Strategic Performance Measure 3.3: Collaboration with partners within and outside Australia improves border security	
<i>Portfolio Budget Statements 2016–17</i>	Outcome 1: Protect Australia's sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.	Program 1.1: Border Enforcement
		Program 1.2: Border Management
		Program 1.4: IMA Offshore Management
		Program 1.5: Regional Cooperation

During 2016–17, the Department successfully fulfilled this purpose by treating the Australian border as a continuum and using an intelligence-informed, risk-based approach to ensure that threats were detected and disrupted by working before, at and after the border. As

part of these efforts, the Department conducted regular surveillance and patrols of the Australian maritime domain as well as risk-assessing all goods and travellers entering and leaving Australia. Disrupting border threats involved many Australian agencies. The Department

collaborated with key Australian Government agencies, including the Department of Defence and the Australian Federal Police, as well as intelligence and international partners. This ensured that the border was strengthened and that the safety and security of all Australians was protected.

Figure 6: Purpose 3 Performance snapshot³³



33 Exact figures available at Years at Glance table on page 254 and the Results Table on pages 33–111.

SPM 3.1 THREATS ARE DETECTED BEFORE, AT AND AFTER THE BORDER

Analysis

The Department protects Australia by using an intelligence-informed, risk-based approach to secure the border continuum, ensuring that threats are detected and disrupted. By maintaining a physical presence at airports, seaports, in remote regions, at international locations and in the maritime domain, the Department provides a safe and secure border for the Australian public through prevention, deterrence and enforcement activities. These include but are not limited to: facilitating the lawful passage of people and goods; investigations; visa compliance and enforcement; and inspections and examination of sea cargo, air cargo and international mail across all points of entry to detect and goods.

International travellers

The Department's visa and intelligence regime contributes to the strength of the border continuum by ensuring that people who pose a risk to the Australian community are not given

visas to enter Australia. The Department works closely with its international partners, sharing intelligence and in combined operations, to detect and resolve threats before the physical border. Our focus on intelligence-informed activities has paid dividends. During the reporting period, intelligence information caused 637 persons to have applications for visas cancelled, based on character or security grounds. A further 1837 had their visas cancelled at various points across the border continuum on the same grounds.

The Department was vigilant in ensuring that only properly documented travellers entered Australia. During the reporting period, in support of the Department's visa regime, 0.63 per cent of all passengers and crew arriving by air and sea were referred for further scrutiny ahead of immigration clearance. The Department undertook a number of targeted activities and operations focused on

higher-risk traveller cohorts, leading to 3966 international travellers being refused entry to Australia. These compliance operations had an impact on increasing the refused immigration clearance (RIC) rate for the reporting period. In 2016–17, the proportion of passengers and crew refused immigration clearance was 0.018 per cent, against the nominal benchmark of less than 0.015 per cent. This result demonstrates the validity and efficacy of compliance activities to strengthen border security.

The trend of increasing traveller volumes continued in 2016–17. During the reporting period, the Department processed 21.99 million international traveller arrivals (including passengers and crew) compared with 20.42 million arrivals in 2015–16. Departures of international passengers and crew also increased, with 21.74 million international travellers processed on departure

compared with 20.25 million departures in 2015–16—a 10.6 per cent increase over the Department’s forecast. These figures, considered together, show that the ABF is processing many more passengers than in the previous year and doing so more quickly, while identifying more passengers who pose a threat.

The ABF Counter Terrorism Units (CTU) strengthened the Department’s ability to respond to the threats in the broader global environment. More than 100 CTU-trained officers monitor outgoing and inbound travellers at 11 of Australia’s airports operating international sectors. In 2016–17, CTU teams conducted more than 235,000 real-time assessments, assisted with 118 passenger offloads and undertook intervention activities that led to the detection of more than \$9 million in excess undeclared currency. In comparison, from 1 July 2015 to 30 June 2016, CTU teams conducted 199,009

real-time assessments, assisted with 408 passenger offloads and undertook intervention activities that led to the detection of more than \$3 million in excess undeclared currency. Outcomes of CTU intervention activity include suspension or cancellation of passports, the imposition of infringement notices, or ongoing investigations. The CTU prevented minors from travelling to conflict areas, found evidence of movements of large sums of cash and detected images and material of an extremist nature.

Despite the Department’s work to mitigate risk ahead of the border, some travellers sought to enter Australia and circumvent Australian law by bringing illicit goods across the physical border and into the country. The Department used a range of enforcement and intervention activities to counter these threats. Based upon intelligence information and real-time assessment by skilled officers, the Department

examined on arrival 118,969 passengers suspected of carrying contraband. This led to 11,590 detections resulting in confiscation of goods, fines and /or convictions.

The overall efficiency of the Department’s efforts is illustrated by the fact that the vast majority of people coming to Australia comply with our migration laws. Overall compliance with the Migration Programme is high. From 1 July 2016 to 30 June 2017, more than 99 per cent of the over 7.1 million temporary entrants complied with the requirement to maintain their lawful immigration status or to depart Australian before their visa expired.

The Department’s work in monitoring the flow of travellers across the border has been largely successful during the reporting period. The Department enables and fosters a high level of voluntary compliance while dealing with those who do not comply, thus

ensuring the integrity of the Migration Programme and the community's safety and security. The Department encourages visa holders to comply with their conditions by providing information and education. The Department employs measures aimed at locating, detaining and ultimately removing those who are deliberately non-compliant or are engaged in serious non-compliance.

Goods

The risks that illicit goods pose to the Australian community remain high. There continue to be numerous attempts to circumvent Australia's border laws and bring such items into the country. Travel and trade patterns are increasingly complex, with significant growth in the range of goods carried and consequent biosecurity hazards and economic risks. Sea, air and international mail cargo continue to be used to move illicit goods. To counter this the Department continued to improve intelligence capability through increased

data integration and enhanced analytics that allow it to better detect, identify and intercept illicit activity at the border.

During 2016–17, 72,266 air cargo consignments were identified as warranting examination and, of these, 3.8 per cent resulted in the detection of an illicit good. This was a slight improvement from 2.8 per cent on the previous year. From 1 July 2016 to end of June 2017, the Department inspected 58.5 million international mail parcels and letters. Of these, 0.39 per cent were examined in more detail, resulting in 81,282 detections of illicit contraband. The Department also inspected 84,674 sea cargo twenty foot equivalent units (TEUs) during 2016–17, compared with 96,637 in 2015–16. This decrease from the previous year was due to the Department significantly upgrading sea cargo X-ray facilities. These upgrades are now finished and provide a greater capacity to detect the more complex concealments that increasingly are being

used by organised crime. The Department was aware that implementing the upgrade would restrict the number of cargo units it would inspect and in response it increased its visible presence and boosted enforcement in a range of other compliance activities during the period. As a result, the Department's examination and detection rates were the same as in the previous reporting period.

The Department's efforts to inspect and examine cargo (sea and air), international mail and passenger streams and its commitment to disrupting the movement of illicit drugs across the border resulted in detections and seizures of significant volumes of illicit goods. The number and weight of the combined drug detections increased in 2016–17, with 43,973 detections weighing 7085 kg recorded. Of these, 24,283 were major illicit, precursor and new psychoactive substance drugs, compared with 37,961 detections in 2015–16, with 18,241 major illicit drugs and precursors, weighing 5076 kg.

This increase in all metrics for detections reflects better targeting and management of operational activities.

Smuggling of illicit tobacco continues to be a focus of entities trying to breach Australia's border laws. They are becoming increasingly responsive and resilient to law enforcement interventions and tactics to disrupt and dismantle the involvement of organised crime. The Department's sea cargo enforcement activities recorded 125 detections of illicit goods weighing 256.90 tonnes compared with 88 detections weighing 64.17 tonnes at the same point in 2015–16. Similarly, the Department's activities in international mail resulted in the detection and seizure of 54.33 tonnes of illicit tobacco.

The Department's inspection and examination activities continue to keep illegal firearms out of the community. During 2016–17, 1709 undeclared conventional firearms, parts and accessories were detected. To maintain the

efficiency in detecting undeclared conventional firearms, parts and accessories, the Department has implemented enhanced technology upgrades at its examination facilities, along with targeted prevention and coordinated compliance, deterrence and enforcement measures.

Results

Table 12: SPM 3.1 – Threats are detected before, at and after the border	
KPI 3.1.1 International passengers and crew (air and sea) processed:	
3.1.1.1 arrivals	
3.1.1.2 departures	
Target:	Source:
3.1.1.1 arrivals – 19,878 million	Corporate Plan 2016–17 p. 37.
3.1.1.2 departures – 19,644 million	
Result:	
3.1.1.1 arrivals – 21,990 million	
3.1.1.2 departures – 21,740 million	
KPI 3.1.2 Number of import reports received:	
3.1.2.1 air cargo	
3.1.2.2 sea cargo	
Target:	Source:
3.1.2.1 air cargo – 38.0 million	Corporate Plan 2016–17 p. 37.
3.1.2.2 sea cargo – 3.2 million	
Result:	
3.1.2.1 air cargo – 42.1 million	
3.1.2.2 sea cargo – 3,180,592	
KPI 3.1.3 Percentage of high risk vessels where targeted operational responses were performed	
Target:	Source:
85–100%	Corporate Plan 2016–17 p. 38.
	Program 1.1 PBS p. 30.
Result:	
70%	
The data set represents a small number of vessels and therefore a relatively small variance will result in a large deviation in the percentage. Some vessels maintained a high-risk status after intervention at a previous port where they were cleared and this affected the national figure.	

Table 12: SPM 3.1 – Threats are detected before, at and after the border**KPI 3.1.4 Passenger and crew (air and sea) processed:**

- 3.1.4.1 percentage of referrals in relation to immigration clearances
- 3.1.4.2 percentage of examinations on arrival
- 3.1.4.3 percentage of detections on arrival following examination
- 3.1.4.4 percentage of examinations on departure
- 3.1.4.5 percentage of detections on departure following examination

Target:

- 3.1.4.1 percentage of referrals in relation to immigration clearances – 0.65%
- 3.1.4.2 percentage of examinations on arrival – 0.60%
- 3.1.4.3 percentage of detections on arrival following examination – 13.5%
- 3.1.4.4 percentage of examinations on departure – 0.06%
- 3.1.4.5 percentage of detections on departure following examination – 0.65%

Source:

Corporate Plan 2016–17 p. 38.

Result:

- 3.1.4.1 percentage of referrals in relation to immigration clearances – 0.63%
- 3.1.4.2 percentage of examinations on arrival – 0.57%
- 3.1.4.3 percentage of detections on arrival following examination – 11.98%
- 3.1.4.4 percentage of examinations on departure – 0.05%
- 3.1.4.5 percentage of detections on departure following examination – 7.02%

KPI 3.1.5 Air cargo consignments:

- 3.1.5.1 percentage of total inspected
- 3.1.5.2 percentage of inspections leading to an examination
- 3.1.5.3 percentage of examinations that result in a detection

Target:

- 3.1.5.1 percentage of total inspected – 5.1%
- 3.1.5.2 percentage of inspections leading to an examination – 5%
- 3.1.5.3 percentage of examinations that result in a detection – 3.7%

Source:

Corporate Plan 2016–17 p. 38.

Result:

- 3.1.5.1 percentage of total inspected – 4.8%
- 3.1.5.2 percentage of inspections leading to an examination – 3.61%
- 3.1.5.3 percentage of examinations that result in a detection – 4.3%

Table 12: SPM 3.1 – Threats are detected before, at and after the border

KPI 3.1.6 Sea cargo twenty foot equivalent units (TEU):

3.1.6.1 number inspected

3.1.6.2 percentage of inspections leading to an examination

3.1.6.3 percentage of examinations that result in a detection

Target:3.1.6.1 number inspected³⁴ – ≤101,500 TEU

3.1.6.2 percentage of inspections leading to an examination – 15%

3.1.6.3 percentage of examinations that result in a detection – 3.5%

Source:*Corporate Plan 2016–17* p. 38.**Result:**

3.1.6.1 number inspected – 84,674

3.1.6.2 percentage of inspections leading to an examination – 12.83%

3.1.6.3 percentage of examinations that result in a detection – 3.32%

KPI 3.1.7 International mail items:

3.1.7.1 number inspected

3.1.7.2 percentage of inspections leading to an examination

3.1.7.3 percentage of examinations that result in a detection

Target:

3.1.7.1 number inspected – 50 million

3.1.7.2 percentage of inspections leading to an examination – 0.45%

3.1.7.3 percentage of examinations that result in a detection – 30%

Source:*Corporate Plan 2016–17* p. 38.**Result:**3.1.7.1 number inspected³⁵ – 58.5 million

3.1.7.2 percentage of inspections leading to an examination – 0.39%

3.1.7.3 percentage of examinations that result in a detection – 35.7%

KPI 3.1.8 Illicit goods:3.1.8.1 number and weight³⁶ of tobacco detections:

a) sea cargo

b) international mail

3.1.8.2 number of undeclared detections of conventional firearms, parts and accessories

3.1.8.3 number and weight³⁷ of illicit drug detections

3.1.8.4 value of undeclared currency

Target:

No targets

Source:*Corporate Plan 2016–17* p. 39.**Result:**³⁸

3.1.8.1 number and weight of tobacco detections:

a) sea cargo – 125 detections, 256.90 tonnes

b) international mail – 59,612 detections, 54.33 tonnes

34 The Department was aware that planned upgrades to Container Examination Facilitation technology would have an impact on the number of TEU inspected. This anticipated impact was represented in the use of a 'less than' target.

35 The number of inspections reported is calculated from an algorithm comprising the total amount of international mail items received (reported by Australia Post) and inspection percentages for each targeted risk profile, defined by the International Mail Intervention Strategy. Due to the high volume of items received, individual inspections are not recorded. The number of detections is recorded within the Detained Goods Management System.

36 Weight may be the confirmed weight (if available) or the gross, net, or estimated weight.

37 Weight may be the confirmed weight (if available) or the gross, net or estimated weight.

38 During 2016–17, the Department identified some areas for improvement, including in relation to KPI 3.1.8.3 which will be addressed within future reporting periods.

Table 12: SPM 3.1 – Threats are detected before, at and after the border

3.1.8.2 number of undeclared detections of conventional firearms, parts and accessories – 1,709

3.1.8.3 number and weight of illicit drug detections – 43,973 detections of which 24,283

were major illicit drugs and precursors weighing 7,085 kilograms

3.1.8.4 value of undeclared currency – \$17.2 million

KPI 3.1.9 Percentage of prosecution briefs completed as the result of a formal investigation resulting in a conviction

Target:

85–95%

Source:

Corporate Plan 2016–17 p. 39.

Program 1.1 PBS p. 30.

Result:

86%

KPI 3.1.10 Percentage of the total passenger and crew refused immigration clearance at the border (air and sea)

Target:

<0.015%

Source:

Corporate Plan 2016–17 p. 39.

Program 1.1 PBS p. 30.

Result:

0.018%

KPI 3.1.11 Number of visa refusals based on security or character grounds

Target:

No target

Source:

Corporate Plan 2016–17 p. 39.

Result:

637

KPI 3.1.12 Number of visa cancellations based on security or character grounds

Target:

No target

Source:

Corporate Plan 2016–17 p. 39.

Result:

1,837

KPI 3.1.13 Percentage of temporary visa entrants that remain lawful while in Australia

Target:

>99%

Source:

Corporate Plan 2016–17 p. 39.

Program 1.2 PBS p. 32.

Result:³⁹

>99%

³⁹ This measure seeks to evaluate the effectiveness of the Department's regulatory enforcement activities. The reported result of '>99 per cent' indicates that the majority of temporary visa holders remain lawful relative to the overall number of visa grants, and has been consistently reported in this manner for a number of years.

SPM 3.1 Case study

COLLABORATION HALTS \$101 MILLION CRYSTAL METHAMPHETAMINE IMPORT

Operation Valencia, a sophisticated joint agency operation conducted by NSW Joint Organised Crime Group (JOCG), comprising members of the ABF, Australian Federal Police (AFP), New South Wales Police, Australian Criminal Intelligence Commission (ACIC) and the New South Wales Crime Commission (NSWCC), led to the successful seizure of more than 100 kg of crystal methamphetamine, commonly known as ‘ice’, from China.

The investigation included significant collaboration with Taskforce Blaze, an AFP partnership with the Chinese National Narcotics Control Commission. Information from Taskforce Blaze disclosed that 101 kg of crystal methamphetamine were concealed in the floor of a shipping container which was being used to send two tonnes of steel from Yantian Port, China, to an address in Sydney’s southwest. The drugs had an estimated street value of \$101 million. The information highlighted the benefit of continuous collaboration between partner agencies in protecting the Australian community.

This unprecedented collaboration between China and Australia led to the arrest of five men in Australia and China. The three men arrested in Australia, a 38-year-old Australian, 42-year-old

Hong Kong national and 22-year-old Fijian national, were charged with offences relating to attempting to import a commercial quantity of a border controlled drug and attempting to possess a commercial quantity of a border controlled drug. The maximum penalty is life imprisonment. Two men were arrested in Guangdong Province for their alleged involvement in the syndicate.

The operation demonstrated the significant ability of Australian law enforcement, including the ABF, to detect illicit drugs before they reach the community. Through strengthened international drug law enforcement cooperation and partnerships, threats can be better understood, and the global spread of drugs and transnational drug trafficking can be detected and countered successfully.





SPM 3.2 THE BORDER IS STRENGTHENED THROUGH THE CONTROL AND SURVEILLANCE OF THE MARITIME DOMAIN

Analysis

The Australian maritime domain (AMD) is one of the largest in the world. Its total area of more than 10 million square kilometres equates to around 11 per cent of the Earth's surface. Operating over this vast and often dangerous domain is Maritime Border Command (MBC), a multi-agency task force within the Australian Border Force comprising ABF and Australian Defence Force (ADF) personnel.

MBC is Australia's lead civil maritime security authority. It primarily operates offshore to safeguard the AMD against a variety of threats and maintains surveillance operations 24 hours a day, 365 days a year. It undertakes aerial and on-water surveillance and coordinates maritime enforcement operations through assigned ABF and ADF assets. During 2016–17, ABF patrol vessels assigned to the MBC completed 2626⁴⁰ vessel patrol days. This was

in addition to patrols by ADF vessels reported separately.

Vessel patrols are complemented by intelligence-informed aerial surveillance using RAAF P3 Orions, contracted Dash-8 aircraft and contracted helicopters. Most operations focus on the high-risk areas of Christmas Island and the Cocos (Keeling) Islands, as well as the northern approaches to the Australian continent.

The ABF had an aerial patrol target of 136 million square nautical miles for 2016–17 and at 30 June 2017 had completed patrols over about 119 million square nautical miles.

MBC continues to work closely with other Government agencies, including state and territory police, to intercept vessels trafficking border-controlled drugs into Australia. On 2 February 2017 the ABF, in

a joint operation with NSW and federal police, conducted an on-water interception and boarding which resulted in Australia's largest ever haul of cocaine, weighing 1,422 kg (1.4 tonnes) and having an estimated value of \$312 million.

MBC leads the operational task group for maritime response under Operation Sovereign Borders, Australia's whole-of-government operation designed to combat maritime people smuggling and protect Australia's borders. In 2016–17, 37 people from three illegal people smuggling vessels were intercepted at sea and returned to their country of origin or departure. No people smuggling vessels arrived in Australia.

MBC also protected Australia's fishing industry, natural resources and environment by dismantling illegal, unregulated and

40 Includes ABFCs *Ocean Shield* and *Thaiyak*.

unreported syndicates. MBC apprehended 15 illegal foreign fishing vessels (FFV), resulting in 192 foreign fishers being detained and processed.

More than 99 per cent of vessels identified through surveillance were operating in compliance with Australian requirements. Less than 1 per cent of vessels in the Australian Exclusive Economic Zone (AEEZ) were non-compliant and MBC responded to almost 80 per cent of them.

In parallel with fisheries protection work, MBC also responds to other maritime threats, including marine pollution. On 30 November 2016 the Australian Border Force Cutter (ABFC) *Cape Leveque* located a ghost net in the Arafura Sea, 32 nautical miles north-north-west of Croker Island. The green nylon gillnet weighed an estimated 250–500 kg. Two turtles were found trapped

in the net and had to be cut free. One turtle measured 60 centimetres in length and weighed an estimated 15–20 kg. It was alive but sluggish, having ingested some rope, part of which was hanging from its mouth and the other end from its rectum. After the rope was removed the turtle swam to depth with no apparent problems. The second turtle was alive and vigorous, with a measured 60 centimetres length and weighed an estimated 12–15 kg. After being freed from the netting, it was released and swam to depth. Neither turtle had tags and their sex is unknown. A small amount of highly decomposed remains, apparently a small turtle, was also found in the net.

During 2016–17, MBC demonstrated its ability to coordinate a whole-of-government maritime counter-terrorism event by conducting a simulated exercise. MBC also began developing a suite of

exercises for 2017, which will involve Australian Government agencies and state and territory police. Activities will focus on command decision-making, strategic communications, links to the National Crisis Committee and interaction with state and Northern Territory jurisdictions.

Successes in 2016–17 came as the ABF faced multiple challenges. The ABF had a 2016–17 target of 3320 vessel patrol days but at 30 June 2017 ABF vessels completed 2626 vessel patrol days. The shortfall was primarily the result of ongoing work to rectify defects with the *Cape Class* patrol boats. The ABF is working closely with contracted parties to remediate availability issues.

While the P3 Orion target was achieved, coverage for the period was below the PBS target, primarily because assets were re-assigned, flights

cancelled, and crew issues affected Dash-8 capability. Aircraft maintenance, weather and crew issues were the causes of most of the partially completed missions for 2016–17.

In January 2017 the ABF issued the Dash-8 service provider with an official breach notice over its inability to meet the stipulated contract hours. The provider acknowledged

the deficiencies and responded with planning projections to overcome the problem. There is early evidence that the availability of aerial assets will improve as a result of recruiting initiatives by the contractor to address crew shortfalls. The ABF has maintained a close watch on the progress of improvements and will apply contractual leverage as appropriate.

The sheer size of the AEEZ means that the ABF has a challenging mission in ensuring that the Australian border is strengthened through the control and surveillance of the maritime domain. Despite successes, new challenges can be expected to arise. MBC, within the ABF, will continue to operate within the AMD to protect Australia’s interests.

Results

Table 13: SPM 3.2 – The border is strengthened through the control and surveillance of the maritime domain	
KPI 3.2.1 Number of vessel patrol days	
Target: 3,320	Source: Corporate Plan 2016–17 p. 40. Programme 1.1 PBS p. 30.
Result: 2,626 ⁴¹	
KPI 3.2.2 Joint ABF and ADF aircraft coverage	
Target: 136 million square nautical miles	Source: Corporate Plan 2016–17 p. 40. Programme 1.1 PBS p. 30.
Result: 119.15 million square nautical miles	
KPI 3.2.3 Number of people on-board people smuggling vessels not able to be transferred to a regional processing centre or returned	
Target: 0	Source: Corporate Plan 2016–17 p. 40.
Result: 0	

41 Includes ABFCs *Ocean Shield* and *Thaiyak*.

Table 13: SPM 3.2 – The border is strengthened through the control and surveillance of the maritime domain

KPI 3.2.4 The percentage of vessels identified through surveillance operating in a compliant manner in the maritime domain

Target:

>90%

Source:

Corporate Plan 2016–17 p. 40.

Result:

99.9%

KPI 3.2.5 The percentage of non-compliant vessels, identified through surveillance, where law enforcement responses were performed

Target:

>50%

Source:

Corporate Plan 2016–17 p. 40.

Result:

79%

KPI 3.2.6 Ability to coordinate a whole-of-government maritime counter terrorism event

Target:

1 exercise

Source:

Corporate Plan 2016–17 p. 40.

Result:

1 exercise

KPI 3.2.7 Number of illegal foreign fishing vessels apprehended and processed

Target:

<40

Source:

Corporate Plan 2016–17 p. 40.

Result:

15

KPI 3.2.8 Number of illegal foreign fishers apprehended and processed

Target:

25

Source:

Corporate Plan 2016–17 p. 40.

Result:

192

SPM 3.2 Case study

MARITIME BORDER COMMAND CUTS OFF \$312 MILLION COCAINE IMPORTATION

In February 2017 a two-year operation culminated in MBC intercepting cocaine worth around \$312 million before it could be landed in Australia.

The seizure of more than 1.4 tonnes of cocaine was the largest haul in Australia's history and was the result of an AFP investigation supported by the New Zealand Customs Service, the Organised Financial Crime Agency of New Zealand, the Fijian Transnational Crime Unit, French Polynesian authorities and the ABF.

On 2 February 2017, while assigned to MBC, HMAS *Bathurst* intercepted the yacht *Elakha* off the NSW south coast. MBC officers boarded the vessel and discovered black bags containing a large quantity of blocks. Two crew members, a 63-year-old New Zealand man and a 54-year-old Swiss/Fijian dual national, were detained under the *Maritime Powers Act 2013*. Initial testing of the blocks returned a positive result for cocaine. The blocks weighed an estimated 1422 kg.

On 3 February 2017 two Sydney men, aged 63 and 62, travelled to the NSW south coast, where they met a 66-year-old man. Police will allege the three men intended to launch a motor vessel to meet the *Elakha* at sea before returning to shore with the drugs. The AFP arrested and charged the three men

with conspiracy to import a commercial quantity of a border-controlled drug. They appeared in Nowra Local Court on 4 February 2017 and were refused bail.

On 3 February 2017 police in Sydney arrested a fourth man who is also alleged to be involved in the conspiracy to import the cocaine.

On 5 February 2017, HMAS *Bathurst* returned to Sydney with the *Elakha* and its detained crew. The two men were arrested on arrival, and were later also charged with conspiracy to import a commercial quantity of a border-controlled drug. Six men, aged between 32 and 66, have been charged with serious drug importation offences as a result of the investigation.

MBC's interception of the illicit drug means that it cannot harm vulnerable members of the community and that the organised crime groups behind the attempted import will not profit from trafficking.

This case is just one example of how the ABF strengthens Australia's borders through control and surveillance of the maritime domain.



The alleged cocaine smuggling vessel, the *Elakha*, in port after being intercepted by law enforcement.



SPM 3.3 COLLABORATION WITH PARTNERS WITHIN AND OUTSIDE AUSTRALIA IMPROVES BORDER SECURITY

Analysis

Australia continues to play a leadership role in countering irregular migration in our region. Australia leads efforts to stop people smuggling, human trafficking and modern slavery as co-chair, with Indonesia, of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime (the Bali Process).

Operation Sovereign Borders (OSB) is the whole-of-government border security operation that combats maritime people smuggling and protects Australia's borders. Under OSB there has been a substantial reduction in the number of people smuggling ventures attempting to reach Australia. Since OSB began in September 2013 more than 770 people from 31 people smuggling vessels have been intercepted and returned.

The Department supports and participates in multilateral fora to foster cooperation and mutual assistance aimed

at strengthening the management of regional borders and entry systems. In 2016–17, these included:

- The annual Pacific Immigration Directors' Conference (PIDC) meeting, a forum for the heads of official immigration agencies in the Pacific, held in June 2017.
- The annual Oceania Customs Organisation (OCO) conference in May 2017, a forum for Oceania customs administrations to cooperate on joint initiatives and discuss customs issues.
- The Association of Southeast Asian Nations (ASEAN)–Australia Workshop on Regional Training Cooperation in August 2016, which provided a forum for training experts from ASEAN member states and Australia to discuss current and emerging training needs and priorities.
- Activities relating to the Bali Process, including

continuing support to the Regional Support Office (RSO) in Bangkok. Key RSO outputs during this time included creating products to help frontline officers interview victims of trafficking, delivering training to Bali Process member states, hosting foreign officials to enhance their states' responses to trafficking in persons and other border management issues, and developing a website to strengthen member states' counter-trafficking responses and policies.

- The Regional Cooperation Agreement on Combatting Piracy and Armed Robbery against Ships in Asia (ReCAAP), which promotes safety and communication to counter piracy and armed robbery at sea. ReCAAP was instrumental in bringing about a 58 per cent reduction in the number of reported incidents from 203 in 2015 to 85 in 2016.
- A Pacific Maritime Domain Awareness

(MDA) Workshop in April 2017, which the Department co-hosted with the Federated States of Micronesia. Twenty Pacific countries and territories participated in the workshop along with multilateral organisations including the PIDC, the OCO and the Forum Fisheries Agency. The conference focused on enhancing the collective understanding of the importance of MDA in the Pacific and the benefits of working together on MDA activities.

As the lead agency for migration and trade matters, the Department coordinated and delivered a range of multilateral initiatives to strengthen border management in the region and internationally. In 2016–17, these included:

- In September 2016, the Department hosted a World Customs Organization (WCO) Asia-Pacific Regional Workshop on

NonIntrusive Inspection (NII) in Melbourne. DIBP officers presented sessions on topics such as 'Detecting Contraband in Mail using NII' and X-ray image analysis. A delegate from each country attending (32 participants in total) shared information on the technologies and processes on NII that their country uses.

- In May 2017, the Department hosted a joint WCO–Universal Postal Union (UPU) workshop in Sydney. The workshop was attended by over 100 participants from the Asia/Pacific region. It provided an excellent opportunity for Australia to strengthen its influence in the WCO and highlight Australia's capabilities in electronic advance data, risk assessment and targeting in the postal environment, combatting illicit trade, and streamlining processes and revenue collection.
- In January 2017, the

Department hosted a series of meetings in Canberra to progress the development of the WCO Asia-Pacific Regional Strategic Plan 2018–20. The meetings were attended by WCO members from the Asia-Pacific region, including Hong Kong, Japan, Malaysia, New Zealand, Papua New Guinea and Sri Lanka. The Department hosted this event in support of Fiji as the newly appointed WCO Asia-Pacific region Vice Chair.

- A Regional Illicit Tobacco Enforcement Package was initially developed by the ABF in collaboration with regional partners including Hong Kong and Fiji, and presented by the WCO Regional Intelligence Liaison Office Asia-Pacific (RILO AP) at the Asia-Pacific Regional Heads of Customs Administrations meeting in early March 2017, where it was endorsed by members. The package was subsequently

presented by RILO AP at the WCO Enforcement Committee in Brussels in late March 2017, where it was positively received.

The Department conducts a range of senior meetings and activities with counterpart immigration and border control agencies to support bilateral engagement on border security issues.

In 2016–17, key bilateral engagements included:

- Official port visits to Sri Lanka and India in May 2017 by the Australian Border Force Cutter (ABFC) *Ocean Shield*.
- A Department-led whole-of-government Joint Working Group on Transnational Crime with Malaysia in Canberra in May 2017, which focused on transnational threats, including cooperation to counter people smuggling.
- A Maritime Security Desktop Exercise co-chaired by the ABF and BAKAMLA (the Indonesian Coast Guard) in May 2017, which included delegates from 16 other regional countries.
- Several high-level engagements with heads of Papua New

Guinea immigration and customs, including at ministerial, secretary and commissioner level, on issues ranging from border and civil-maritime security, traditional movements in the Torres Strait to joint security exercises.

Strategic Border Command and MBC provided operational-level support to regional partners in 2016–17, including:

- Coordinated or joint activities with Indonesia, Papua New Guinea, the United States, New Zealand and France (New Caledonia).
- Regular joint cross-border patrols in the Torres Strait Protected Zone with Papua New Guinea.
- Provision of aerial surveillance based on requests from regional neighbours and partners, including France (New Caledonia), New Zealand, Indonesia, the US and Papua New Guinea.

The Department funds capacity-building activities with partner countries. These are delivered by the Department or non-

government organisations. In 2016–17, these activities included:

- The Regional Skills Development Programme, which delivered 51 activities to 1083 participants from 49 countries. Training was delivered in Australia and overseas by departmental and ABF specialists in such areas as document examination, intelligence analysis, investigations, vessel search, strategic trade controls (counter-proliferation), counter-terrorism, facial image comparison and X-ray image analysis.
- The English Language Training (ELT) Programme, that aims to enhance the English-language skills of foreign border officials, enabling better cooperation on border security issues. During 2016–17 the ELT Programme developed the skills of 567 participants—484 through overseas courses and 83 in Australia.
- The Border Control Agency Management Programme (BCAMP), a series of intensive three-week courses for middle

managers with border control responsibilities within South East Asia and surrounding regions. Since its inception in 2009, 17 courses have been delivered to 342 participants by the Royal Melbourne Institute of Technology Vietnam campus. In 2016–17, 22 Vietnamese participants were trained in the sixteenth course, and 20 participants from nine regional countries in the seventeenth course.

- Funding provided to the International Organization for Migration (IOM) to build an integrated border management model in Sri Lanka. This aims to strengthen Sri Lanka's national border management by enhancing its legal, institutional and technical capacity.
- Funding provided to IOM to deliver phase six of a border management training programme in Iraq. This aims to strengthen lawful migration across Iraq's borders while enhancing the detection and deterrence of improperly documented passengers.

In addition to directly funded capacity building activities, in 2016–17 the Department actively supported the Department of Foreign Affairs and Trade-led Strongim Gavman Program. This is a whole-of-government engagement programme involving Australian Government agencies in providing capacity development assistance and advice to counterpart Papua New Guinea Government agencies. During 2016–17, this programme supported the deployment of long-term embedded departmental advisors to Papua New Guinea's immigration and customs agencies, as well as 24 specialised short-term deployments for specific projects, ranging from four weeks to 11 months in duration.

The Regional Cooperation Arrangement (RCA) in Indonesia is an important element of Australia's approach to managing the risk of travel by potential illegal immigrants to Australia from Indonesia. Under the RCA, Australia funds the IOM to provide services to irregular

migrants held in Indonesian detention and community accommodation facilities. These services include assisted voluntary return and the provision of food, transport, counselling and medical care. This support provides irregular migrants with an alternative to illegal migration or a protracted stay in Indonesia.

Consistent with regional processing arrangements, the Department continues to support the Governments of Nauru and Papua New Guinea to resettle persons they have determined to be refugees. On 13 November 2016, Prime Minister Turnbull announced that Australia had reached a one-off resettlement arrangement with the United States for refugees in Nauru and Papua New Guinea. Implementation of the US Resettlement Arrangement is progressing.

The Department supported the Governments of PNG and Nauru through capacity building for voluntary returns and involuntary removals; and provided support for people requesting assistance to return voluntarily to their

country of origin or a third country where they have the right to enter or reside. In 2016–17, the Department assisted 60 persons⁴² subject to regional processing arrangements with their request to depart voluntarily from PNG and Nauru.

The Department continued to assist the Government of Cambodia by funding settlement services for refugees settled under the Memorandum of Understanding. Settlement services help these refugees to integrate into Cambodian society.

⁴² In 2016–17 there were a total of 63 voluntary returns of persons subject to regional processing arrangements. Of these 63 cases three were not funded by DIBP, and have not been included within the assisted voluntary return figures.

Results

Table 14: SPM 3.3 – Collaboration with partners within and outside Australia improves border security

KPI 3.3.1 Percentage of states⁴³ receiving Australian assistance which have implemented processes and/or systems that have led to an improvement in the management of migration and border outcomes, including the management of refugees

Target:

50%

Source:

Corporate Plan 2016–17 p. 41.
Programme 1.5 PBS p. 37.

Result:

84%

KPI 3.3.2 Number of foreign and partner agency counterparts globally where training and capability development is successfully delivered

Target:

1,500

Source:

Corporate Plan 2016–17 p. 41.
Programme 1.5 PBS p. 37.

Result:

12,327⁴⁴

KPI 3.3.3 Number of major capacity-building projects funded

Target:

No target

Source:

Corporate Plan 2016–17 p. 41.

Result:

56

KPI 3.3.4 Number of people trained through capacity-building projects

Target:

1,500

Source:

Corporate Plan 2016–17 p. 41.

Result:

12,327

⁴³ Refers to countries receiving Australian assistance.

⁴⁴ KPIs 3.3.2 and 3.3.4 measure the same data. This is due to a PBS indicator added to *Corporate Plan 2016–17* after KPI 3.3.4 was created.

Table 14: SPM 3.3 – Collaboration with partners within and outside Australia improves border security

KPI 3.3.5 Arrangements in place that:

- 3.3.5.1 support the regional processing country to assess the protection claims of transferees
- 3.3.5.2 support the regional processing country to accommodate and provide services, including welfare and health, to transferees pending assessment of protection claims
- 3.3.5.3 support regional partners to settle transferees found to be in need of international protection
- 3.3.5.4 support regional processing countries to voluntarily return or remove those found not to be refugees

Target:

No target

Source:

Corporate Plan 2016–17 p. 41.
Programme 1.4 PBS p. 35.

Result:

3.3.5.1 support the regional processing country to assess the protection claims of transferees⁴⁵

There were 902 people in PNG after being transferred from Australia under the Regional Resettlement Arrangement (RRA). Of these 900, or more than 99 per cent, had received a Minister's Final Determination (MFD)⁴⁶. A further 52 people were in Australia on medical transfer, yet to return to PNG. Of these, 22 had received a MFD. There were 1,129⁴⁷ people in Nauru after being transferred from Australia under the Memorandum of Understanding (MoU) with Nauru. Of these 1,129 people, all had received a primary Refugee Status Determination (RSD). A further 362 people were in Australia on medical transfer or accompanying family. Of these 362 people, 87 had received a primary RSD.

3.3.5.2 support the regional processing country to accommodate and provide services, including welfare and health, to transferees pending assessment of protection claims

The Department has contracts with organisations for garrison and welfare services, health services and claims assistance to help transferees in regional processing countries, pending assessment of their protection claims. The Department ensures appropriate services are provided through contractually required governance and meeting arrangements with key service provider personnel and established performance management frameworks. The Department has regular discussions with host governments to ensure that services are delivered in support of operational, whole-of-government, diplomatic and political directions. The Department also engages with host governments to ensure that appropriate health care is provided, reflecting clinical outcomes commensurate with local standards.

3.3.5.3 support regional partners to settle transferees found to be in need of international protection

The Department continues to support the Governments of Nauru and PNG to resettle people they have determined to be refugees. On 13 November 2016 Prime Minister Turnbull and Minister Dutton announced that Australia had reached a new resettlement arrangement with the United States of America for refugees in a regional processing country. Implementation of the US arrangement is progressing, with US officials conducting interviews during several visits to both countries. Australia also supported arrangements for Nauru to increase a refugee's stay in Nauru from 10 to 20 years, continued to support Nauru-determined refugees resettling in Cambodia under the Cambodia settlement arrangement, and supported PNG to settle refugees. Support was also provided to anyone independently seeking entry to a third country where they have the right to enter and reside.

3.3.5.4 support regional processing countries to voluntarily return or remove those found not to be refugees

The Department supported the Governments of PNG and Nauru through capacity building for voluntary returns and involuntary removals, and assisted people asking to return voluntarily to their country of origin or a third country where they have a right to reside. In 2016–17, the Department assisted 60⁴⁸ people subject to regional processing arrangements with their request to depart voluntarily from PNG and Nauru.

⁴⁵ Figures are based on DIBP operational data. Nauru figures includes children born to transferees or refugees who may be linked to the parent's Refugee Status Determination (RSD).

⁴⁶ The final decision stage in the PNG Refugee Status determination process where the Minister determines if the transferee is considered to be a refugee or a non-refugee.

⁴⁷ Includes five people (all with a primary RSD) residing in Port Moresby for medical treatment.

Table 14: SPM 3.3 – Collaboration with partners within and outside Australia improves border security

KPI 3.3.6 Number of joint maritime operations with regional partners

Target:

>5

Source:

Corporate Plan 2016–17 p. 41.

Result:

6

KPI 3.3.7 Percentage of task requests from client agencies where an operational response to a maritime threat was provided

Target:

>60%

Source:

Corporate Plan 2016–17 p. 41.

Result:

77%

48 In 2016–17 there were a total of 63 voluntary returns of person subject to regional processing arrangements. Of these 63 cases, three were not funded by DIBP, and have not been included within the assisted voluntary return figures.

SPM 3.3 Case study

CIVIL MARITIME SECURITY COOPERATION REACHES A MILESTONE

In May 2017 the ABFC *Ocean Shield* conducted port visits to Trincomalee, Sri Lanka, and Chennai, India, reciprocating a port visit made by the Indian Coast Guard Ship *Sankalp* to Darwin in 2014.

As the first overseas port visit by an ABF vessel, the trip was a major milestone in civil maritime security cooperation.

A high-level delegation accompanied the visit, including the ABF Commissioner, Roman Quaedvlieg, the Commander Joint Agency Task Force, Air Vice-Marshal Stephen Osborne, and Deputy Commander Maritime Border Command, Jo Crooks.

The ABFC *Ocean Shield* and its crew took part in a range of activities to strengthen the Department's relationships with Sri Lankan and Indian counterpart

agencies. These included tours of ABFC *Ocean Shield* for representatives from counterpart agencies and participation in exercises with the Sri Lankan Navy and the Indian Coast Guard to enhance operational cooperation.

The visit demonstrated the Department's commitment to bilateral and regional cooperation. Staff from the Department and from Indian and Sri Lankan agencies developed person-to-person links at the working and senior levels. The visit increased India's and Sri Lanka's awareness of Australia's maritime security threats, responses, and operational capability.

Officer of the Guard, Lieutenant PJ Bakelmun welcomes Commanding Officer of *Ocean Shield*, Superintendent Alan Champkin to Sri Lanka.





Report on financial performance

PART 3

Part 3:

Report on financial performance

SUMMARY OF FINANCIAL PERFORMANCE

The Department’s complete financial results for 2016–17 are available in the financial statements that form Part 4 of this annual report.

Departmental operating result

The 2016–17 financial statements report a \$276.6 million operating deficit compared with a \$299.2 million operating deficit in 2015–16. The Australian	Government has not funded depreciation and amortisation expenses since 2010–11. In 2016–17 the Department incurred \$285.3 million in depreciation and	amortisation expenses. Had these items been funded, the 2016–17 result would have been an \$8.7 million surplus.
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Administered program performance

The Department’s 2016–17 administered expenses were \$2,116.8 million, which was lower than budget and the prior year figure of \$2,307.0 million. The variance is	mainly attributable to lower supplier costs due to lower rates of returns and removals, underspends in legal costs, and lower personal benefits expense	due to a reduction in the number of people receiving Income Support payments as part of the Status Resolution Support Services Program.
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Net assets

Overall, the Department's 2016–17 net asset position of \$1,169.0 million (assets minus liabilities) increased in comparison with 2015–16 by \$24.3 million.

The Department had a strong net asset position at 30 June 2017 whereby liabilities equated to 37 per cent of the total asset base.

All Outcomes – Summary Expense and Capital Expenditure 2016–17

	Budget 2016–17 ^a \$'000	Actual Expenses 2016–17 \$'000
Administered		
Expenses funded through revenue appropriations^b		
Outcome 1: Protect Australia's sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.	2,199,283	1,895,778
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.	51,550	49,292
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	2,250,833	1,945,070
Total Administered Capital Expenditure	186,134	83,056

	Budget 2016–17 ^a \$'000	Actual Expenses 2016–17 \$'000
Departmental		
Expenses funded through revenue appropriations^b		
Outcome 1: Protect Australia's sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.	1,688,151	1,683,399
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.	766,796	827,820
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.	118,770	108,914
Total Departmental Expenses funded through revenue appropriations	2,573,717	2,620,133
Total Departmental Capital Expenditure	309,883	277,286

a. Budget relates to the revised budget estimates reported in the PAES 2016–17.

b. Expenses funded through revenue appropriations exclude expenses related to depreciation and amortisation, write down and impairment of assets.

Financial statements

PART 4

INDEPENDENT AUDITOR'S REPORT	122
STATEMENT BY THE SECRETARY AND THE CHIEF FINANCE OFFICER	126
FINANCIAL STATEMENTS	128
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	140



Auditor-General for Australia



INDEPENDENT AUDITOR'S REPORT

To the Minister for Immigration and Border Protection

Opinion

In my opinion, the financial statements of the Department of Immigration and Border Protection for the year ended 30 June 2017:

- (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 Immigration and Border Protection as at 30 June 2017 and its financial performance and cash flows for the year then ended.

The financial statements of the Department of Immigration and Border Protection, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

- Statement by the Secretary and the Chief Finance 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 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 Immigration and Border Protection in accordance with the relevant ethical requirements for financial statement audits. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). 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>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 2017, \$14.195 billion customs duty revenue and \$0.386 billion customs duty receivables were recognised.</p> <p>Due to the self-assessment nature of customs duty collections, a compliance framework exists that is intelligence-driven.</p>	<p>To audit the completeness and accuracy of customs duty, I evaluated the Department of Immigration and Border Protection's (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.</p> <p>I assessed the Department's risk identification, risk assessment, and risk prioritisation process; and the risk treatment strategies and associated reporting.</p> <p>In performing the procedures I also evaluated key IT systems and tested relevant controls, system calculations and reconciliations.</p>
Key audit matter	How the audit addressed the matter
<p>Completeness and accuracy of visa revenue</p> <p><i>Refer to Note 2.1A 'Taxation revenue' and Note 4.1A 'Taxation receivables'</i></p> <p>I focused on this area given:</p> <ul style="list-style-type: none"> the significant value of visa revenue; 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 fees. <p>For the year ended 30 June 2017, \$2.046 billion visa application revenue and \$3 million visa application receivables were recognised.</p>	<p>To audit the collection of visa application revenue and receivables, I performed the following audit procedures:</p> <ul style="list-style-type: none"> assessed the design and effectiveness of controls over the revenue collection and reporting process; evaluated the effectiveness and implementation of key IT systems and controls; tested the processes for ensuring the completeness of revenue; assessed the accuracy of visa pricing applied within business systems to published schedules; tested, on a sample basis, visa applications and receipts; and performed detailed analysis of revenue balances, including visa application charges and the volume of applications.

Key audit matter

Accuracy of detention and regional processing centres expenditure 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 significant expenditure and complex 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 expenditure 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 2017, \$1.598 billion was recognised for suppliers services rendered. Detention and regional processing centres expenditure represents a significant proportion of this balance. \$1.464 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 expenditure and the valuation of the associated non-financial assets, I performed the following audit procedures:

- assessed the design and effectiveness of controls supporting payments made to service providers;
- tested controls over contract expenditure and compliance with contract requirements;
- tested the stocktake undertaken by the Department relating to detention and regional processing centre assets;
- performed detailed analysis of regional processing centre expenditure against contract requirements; and
- tested 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 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's ability to continue as a going concern, taking into account whether the Department's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing matters related to going concern as applicable 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



Grant Hehir
Auditor-General

Canberra
7 September 2017

**Department of Immigration and Border Protection
Statement by the Secretary and the Chief Finance Officer**

In our opinion, the attached financial statements for the year ended 30 June 2017 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 Immigration and Border Protection will be able to pay its debts as and when they fall due.

Signed.....

Michael Pezzullo
Secretary

7 September 2017

Signed.....

Sam Hatherly
A/g Chief Finance Officer

7 September 2017

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FINANCIAL STATEMENTS

Statement of Comprehensive Income

For the period ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget \$'000
<u>Net cost of services</u>				
Expenses				
Employee benefits	6.1A	1,409,374	1,451,000	1,355,668
Suppliers	1.1A	1,207,851	1,228,253	1,155,628
Depreciation and amortisation	3.2A	285,258	277,511	232,453
Writedown and impairment of assets	1.1B	18,978	15,716	-
Finance costs		479	1,447	-
Other expenses		2,429	12,220	-
Total expenses		2,924,369	2,986,147	2,743,749
Own-source income				
Own-source revenue				
Sale of goods and rendering of services	1.2A	116,425	109,475	106,780
Recovery of costs	1.2B	37,340	35,695	34,159
Electronic travel authority fees		12,155	17,022	-
Rental income	1.2C	2,619	3,662	3,595
Software royalties		3,023	2,854	2,700
Other revenue	1.2D	11,115	20,249	7,778
Total own-source revenue		182,677	188,957	155,012
Gains				
Other gains	1.2E	5,123	3,021	33
Total gains		5,123	3,021	33
Total own-source income		187,800	191,978	155,045
Net cost of services		(2,736,569)	(2,794,169)	(2,588,704)
Revenue from Government		2,459,934	2,494,929	2,356,251
Deficit attributable to the Australian Government		(276,635)	(299,240)	(232,453)
<u>Other comprehensive income</u>				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		(2,035)	(3,569)	-
Total other comprehensive income		(2,035)	(3,569)	-
Total comprehensive income		(278,670)	(302,809)	(232,453)

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.1 for explanations of major budget variances.

Statement of Financial Position

As at 30 June 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents	3.1A	4,214	3,409	6,547
Trade and other receivables	3.1B	499,289	518,425	523,484
Accrued revenue		3,661	2,010	41,910
Other financial assets		1,111	1,681	1,338
Total financial assets		508,275	525,525	573,279
Non-financial assets				
Land	3.2A	20,229	24,291	23,365
Buildings	3.2A	37,543	45,006	58,552
Leasehold improvements	3.2A	104,119	109,798	142,845
Vessels	3.2A	370,089	392,352	429,718
Plant and equipment	3.2A	221,011	234,042	256,332
Computer software	3.2A	514,157	477,157	516,745
Inventories held for distribution		22,140	23,907	12,813
Other non-financial assets	3.2B	60,754	50,111	47,567
Total non-financial assets		1,350,042	1,356,664	1,487,937
Total assets		1,858,317	1,882,189	2,061,216
Liabilities				
Payables				
Suppliers	3.3A	230,327	264,222	238,749
Other payables	3.3B	26,161	17,298	15,079
Total payables		256,488	281,520	253,828
Interest bearing liabilities				
Finance leases		-	-	389
Total interest bearing liabilities		-	-	389
Provisions				
Employee provisions	6.1B	397,253	417,726	449,726
Other provisions	3.4A	35,534	38,210	43,610
Total provisions		432,787	455,936	493,336
Total liabilities		689,275	737,456	747,553
Net assets		1,169,042	1,144,733	1,313,663
Equity				
Contributed equity		2,410,844	2,106,465	2,427,407
Reserves		239,667	241,702	245,269
Accumulated deficit		(1,481,469)	(1,203,434)	(1,359,013)
Total equity		1,169,042	1,144,733	1,313,663

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.1 for explanations of major budget variances.

Statement of Changes in Equity

For the period ended 30 June 2017

	2017 \$'000	2016 \$'000	Original Budget \$'000
Contributed equity			
Opening balance			
Balance carried forward from previous period	2,106,465	768,267	2,109,709
Adjusted opening balance	2,106,465	768,267	2,109,709
Transactions with owners			
Distributions to owners			
Return of contributed equity	-	(17,488)	-
Contributions by owners			
Equity injection – Appropriations	183,860	226,857	197,179
Departmental capital budget	120,519	116,639	120,519
Restructuring	-	1,012,190	-
Total transactions with owners	304,379	1,338,198	317,698
Closing balance as at 30 June	2,410,844	2,106,465	2,427,407
Reserves			
Opening balance			
Balance carried forward from previous period	241,702	154,546	245,269
Adjusted opening balance	241,702	154,546	245,269
Comprehensive income			
Other comprehensive income	(2,035)	(3,569)	-
Total comprehensive income	(2,035)	(3,569)	-
Transactions with owners			
Contributions by owners			
Restructuring	-	90,723	-
Other movements	-	2	-
Total transactions with owners	-	90,725	-
Closing balance as at 30 June	239,667	241,702	245,269

Statement of Changes in Equity

For the period ended 30 June 2017

	2017 \$'000	2016 \$'000	Original Budget \$'000
Accumulated deficit			
Opening balance			
Balance carried forward from previous period	(1,203,434)	(474,196)	(1,126,561)
Adjustments to prior year's surplus/deficit	(1,401)	2,601	-
Adjusted opening balance	(1,204,835)	(471,595)	(1,126,561)
Comprehensive income			
(Deficit) for the period	(276,635)	(299,240)	(232,453)
Total comprehensive income	(276,635)	(299,240)	(232,453)
Transactions with owners			
Distributions to owners			
Return of contributed equity	-	(3,275)	-
Contributions by owners			
Restructuring	-	(429,318)	-
Other movements	1	(6)	-
Total transactions with owners	1	(432,599)	-
Closing balance as at 30 June	(1,481,469)	(1,203,434)	(1,359,014)
Total equity	1,169,042	1,144,733	1,313,662

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.1 for explanations of major budget variances.

Cash Flow Statement

For the period ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget \$'000
<u>Operating activities</u>				
Cash received				
Goods and services		113,817	161,222	115,642
Appropriations		2,636,608	2,765,374	2,355,236
Net GST ^a received		124,574	116,184	103,049
Other		40,473	50,187	34,972
Total cash received		2,915,472	3,092,967	2,608,899
Cash used				
Employees		1,424,048	1,509,782	1,367,010
Suppliers		1,316,321	1,310,906	1,241,889
Section 74 receipts transferred to the OPA ^b		155,054	211,194	-
Other		80	12,396	-
Total cash used		2,895,503	3,044,278	2,608,899
Net cash from operating activities		19,969	48,689	-
<u>Investing activities</u>				
Cash received				
Proceeds from sale of non-financial assets		342	53	-
Total cash received		342	53	-
Cash used				
Purchase of non-financial assets		313,943	325,329	317,698
Total cash used		313,943	325,329	317,698
Net cash (used by) investing activities		(313,601)	(325,276)	(317,698)

Cash Flow Statement

For the period ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget \$'000
<u>Financing activities</u>				
Cash received				
Contributed equity		294,437	273,839	317,698
Restructuring		-	4,830	-
Total cash received		294,437	278,669	317,698
Cash used				
Repayment of borrowings (finance leases)		-	389	-
Total cash used		-	389	-
Net cash from financing activities		294,437	278,280	317,698
Net increase in cash held		805	1,693	-
Cash and cash equivalents at the beginning of the reporting period		3,409	1,716	6,547
Cash and cash equivalents at the end of the reporting period	3.1A	4,214	3,409	6,547

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 8.1 for explanations of major budget variances.

Administered Schedule of Comprehensive Income

For the period ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget \$'000
<u>Net cost of services</u>				
Income				
Revenue				
Taxation revenue				
Customs duty	2.1A	14,195,185	14,044,689	14,009,200
Other taxes	2.1A	3,483,130	3,214,364	3,411,762
Total taxation revenue		17,678,315	17,259,053	17,420,962
Non-taxation revenue				
Immigration fees	2.1B	51,600	41,943	48,066
Other revenue	2.1B	15,991	21,361	17,682
Total non-taxation revenue		67,591	63,304	65,748
Total revenue		17,745,906	17,322,357	17,486,710
Gains				
Other gains		5,700	2,710	-
Total gains		5,700	2,710	-
Total income		17,751,606	17,325,067	17,486,710
Expenses				
Suppliers	2.2A	1,604,192	1,715,411	1,718,525
Personal benefits	2.2B	322,131	401,825	382,085
Grants and contributions		16,768	21,083	6,711
Depreciation and amortisation	4.2A	133,317	125,337	74,268
Writedown and impairment of assets	2.2C	38,435	39,990	25,607
Other expenses	2.2D	1,979	3,387	-
Total expenses		2,116,822	2,307,033	2,207,196
Net contribution by services		15,634,784	15,018,034	15,279,514
Surplus		15,634,784	15,018,034	15,279,514
<u>Other comprehensive income</u>				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		(10,286)	(1,060)	-
Total other comprehensive income/(loss)		(10,286)	(1,060)	-
Total comprehensive income		15,624,498	15,016,974	15,279,514

The above schedule should be read in conjunction with the accompanying notes.
Refer to Note 8.1 for explanations of major budget variances.

Administered Schedule of Assets and Liabilities

As at 30 June 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents		55,239	45,609	23,926
Taxation receivables	4.1A	499,503	341,152	258,217
Non-taxation receivables	4.1B	34,501	21,500	17,948
Accrued revenue		23,490	15,725	11,620
Total financial assets		612,733	423,986	311,711
Non-financial assets				
Land	4.2A	46,205	47,598	45,556
Buildings	4.2A	989,299	1,103,205	1,360,776
Leasehold improvements	4.2A	151,386	190,590	234,728
Plant and equipment	4.2A	267,369	173,855	160,673
Prepayments		459	1,226	661
Total non-financial assets		1,454,718	1,516,474	1,802,394
Assets held for sale	4.2A	9,750	25,135	27,885
Total assets administered on behalf of Government		2,077,201	1,965,595	2,141,990
Liabilities				
Payables				
Suppliers	4.3A	244,744	211,321	246,188
Personal benefits	4.3B	23,200	20,973	9,663
Unearned income		30,733	32,959	29,578
Other payables		12,004	4,741	6,320
Total payables		310,681	269,994	291,749
Provisions	4.4A	10,132	9,200	21,445
Total liabilities administered on behalf of Government		320,813	279,194	313,194
Net assets		1,756,388	1,686,401	1,828,796

The above schedule should be read in conjunction with the accompanying notes.
Refer to Note 8.1 for explanations of major budget variances.

Administered Reconciliation Schedule

For the period ended 30 June 2017

	2017 \$'000	2016 \$'000
Opening assets less liabilities as at 1 July	1,686,401	1,252,428
Net (cost of)/contribution by services		
Income	17,751,606	17,325,067
Expenses	(2,116,822)	(2,307,033)
Transfers (to)/from the Australian Government		
Appropriation transfers from the OPA		
Annual appropriation for administered expenses	1,779,316	2,226,702
Administered assets and liabilities appropriations	94,506	195,512
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	460,435	518,579
Appropriation transfers to the OPA		
Transfers to the OPA	(17,888,768)	(17,811,444)
Restructuring	-	287,634
Drawings from the OPA on behalf of the ATO ^a	226,918	212,328
Payments on behalf of the ATO ^a out of special appropriations	(226,918)	(212,328)
Administered revaluations taken to reserves	(10,286)	(1,060)
Other movements	-	16
Closing assets less liabilities as at 30 June	1,756,388	1,686,401

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.

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Administered Cash Flow Statement

For the period ended 30 June 2017

	2017 \$'000	2016 \$'000
<u>Operating activities</u>		
Cash received		
Customs duty	14,441,317	14,410,901
Immigration fees	2,147,400	1,964,409
Passenger Movement Charge	1,004,494	935,230
Import Processing Charges and licenses	409,324	385,604
Net GST received	70,170	87,129
Bonds received	13,276	33,836
Tourist Refund Scheme drawings	2,582	2,505
Security deposits	1,716	914
Other	3,002	21,704
Total cash received	18,093,281	17,842,232
Cash used		
Suppliers	1,636,912	1,839,339
Refunds of duty and other taxes	442,063	448,858
Personal benefits	323,737	427,456
Tourist Refund Scheme	207,496	195,197
Bonds paid	11,812	44,953
Refunds of GST (on imports), WET ^a and LCT ^b	22,004	19,636
Grants and contributions paid	16,834	21,017
Security deposits	1,756	803
Other refunds paid	140	5,288
Total cash used	2,662,754	3,002,547
Net cash from operating activities	15,430,527	14,839,685

Administered Cash Flow Statement

For the period ended 30 June 2017

<u>Investing activities</u>		
Cash received		
Proceeds from sale of property, plant and equipment	82	725
Total cash received	82	725
Cash used		
Purchase of property, plant and equipment	93,431	125,831
Total cash used	93,431	125,831
Net cash (used by) investing activities	(93,349)	(125,106)
<u>Financing activities</u>		
Cash received		
Contributed equity	94,506	161,007
Other	-	2,667
Total cash received	94,506	163,674
Net cash from financing activities	94,506	163,674
Net increase in cash held	15,431,684	14,878,253
Cash and cash equivalents at the beginning of the reporting period	45,609	21,259
Cash from the OPA		
Appropriations	2,239,751	2,745,281
Refunds of GST (on imports), WET ^a and LCT ^b	22,049	19,568
Tourist Refund Scheme	207,496	195,197
Total cash from the OPA	2,469,296	2,960,046
Cash to the OPA		
Administered receipts	17,888,768	17,811,444
Return of Tourist Refund Scheme drawings	2,582	2,505
Total cash to the OPA	17,891,350	17,813,949
Cash and cash equivalents at the end of the reporting period	55,239	45,609

a. Wine Equalisation Tax (WET)

b. Luxury Car Tax (LCT)

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

OVERVIEW

OBJECTIVES OF THE DEPARTMENT

The Department of Immigration and Border Protection (the Department) is an Australian Government controlled not-for-profit entity. The Department's 2016–17 purpose was to protect Australia's border and manage the movement of people and goods across it.

The Department provides policy, regulatory and corporate services as well as delivering intelligence and capability for the organisation.

- It has immigration responsibilities to manage the entry and stay of temporary and permanent migrants, to promote and confer citizenship and to meet Australia's humanitarian and refugee obligations.
- It also contributes to the strength of Australia's national security and economy through effective border security control and the facilitation of seamless legitimate movement of people and goods across Australia's border.

The Australian Border Force (ABF) is the frontline operational arm of the Department, with responsibility to enforce customs and immigration law and to deliver specialised border capabilities including within the maritime domain.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The Department is structured to meet three outcomes.

Outcome	Activity
Outcome 1: Protect Australia's sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.	Program 1.1: Border Enforcement (departmental)
	Program 1.2: Border Management (departmental and administered)
	Program 1.3: Onshore Compliance and Detention (departmental and administered)
	Program 1.4: Illegal Maritime Arrivals Offshore Management (departmental and administered)
	Program 1.5: Regional Cooperation (departmental and administered)
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 (departmental)
	Program 2.2: Migration (departmental)
	Program 2.3: Visas (departmental and administered)
	Program 2.4: Refugee and Humanitarian Assistance (departmental and administered)
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)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department, on behalf of Government, of items controlled or incurred by Government.

Details of planned activities for the year can be found in the Immigration and Border Protection Portfolio Budget and Portfolio Additional Estimates Statements for 2016–17 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) for reporting periods ending on or after 1 July 2016; and
- Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) 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. Comparative information has been adjusted to conform to changes in presentation in these financial statements where required.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are controlled by Government and managed or overseen by the Department. Administered items (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 (FBT) and the Goods and Services Tax (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 Australian Taxation Office.

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

On 18 July 2017, the Prime Minister announced that the Government will establish a Home Affairs portfolio of immigration, border protection, domestic security and law enforcement agencies. Specific details as to the implementation of this decision are still being worked through. It is considered possible but not probable that part or all of the Department may be transferred to other entities in a future financial period as result of this administrative restructuring.

There have been no other events after the reporting period which have the potential to significantly affect the ongoing structure and financial activities of the Department.

Administered

The events described above also have the potential to impact the Department's administered activities. There have been no other 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Table of contents

Overview	140
1. Departmental Financial Performance	146
1.1 Expenses	146
1.2 Own-source revenue and gains	148
2. Income and Expenses Administered on Behalf of Government	151
2.1 Administered – Income	151
2.2 Administered – Expenses	154
3. Departmental Financial Position	156
3.1 Financial assets	156
3.2 Non-financial assets	158
3.3 Payables	163
3.4 Provisions	163
4. Assets and Liabilities Administered on Behalf of Government	165
4.1 Administered – Financial assets	165
4.2 Administered – Non-financial assets	167
4.3 Administered – Payables	169
4.4 Administered – Provisions	169

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5. Funding	170
5.1 Appropriations	170
5.2 Statutory conditions for payments from the Consolidated Revenue Fund	176
5.3 Special accounts	177
5.4 Regulatory charging summary	178
5.5 Net cash appropriation arrangements	179
6. People	180
6.1 Employee expenses and provisions	180
6.2 Key management personnel remuneration	183
6.3 Related party relationships	183
7. Managing Uncertainties	184
7.1 Contingent assets and liabilities	184
7.2 Administered – Contingent assets and liabilities	186
7.3 Financial instruments	188
8. Explanation of Budget Variances	189
8.1 Budget variances commentary and reporting	189

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Departmental Financial Performance

1.1 Expenses

	2017 \$'000	2016 \$'000
Note 1.1A: Suppliers		
Goods and services supplied or rendered		
Contractors and consultants	258,302	271,434
Information technology and communications	238,335	238,123
Border control operational	103,433	105,719
Office accommodation and consumables	103,877	94,145
Travel	62,262	84,397
Legal and litigation	47,893	45,392
Fringe Benefits Tax	27,351	28,219
Bank and merchant fees	16,642	14,054
Training	13,970	16,241
Other	55,882	55,141
Total goods and services supplied or rendered	927,947	952,865
Other suppliers		
Operating lease rentals	241,125	239,635
Workers compensation expenses	38,779	35,753
Total other suppliers	279,904	275,388
Total suppliers	1,207,851	1,228,253

Leasing commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	289,716	264,187
Between 1 to 5 years	725,304	775,749
More than 5 years	212,664	153,249
Total operating lease commitments	1,227,684	1,193,185

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

- Property leases. This includes leases for onshore and offshore office and staff accommodation;
- Agreements in relation to support costs for desktop infrastructure, midrange infrastructure and software; and
- Other leases. This includes leases for coastal and maritime surveillance related activities.

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.

	2017 \$'000	2016 \$'000
Note 1.1B: Writedown and impairment of assets		
Receivables and related instruments	13,393	8,774
Land and buildings	-	303
Leasehold improvements	4	299
Vessels	83	34
Plant and equipment	573	1,103
Computer software	4,795	5,203
Inventories held for distribution	130	-
Total writedown and impairment of assets	18,978	15,716

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.2 Own-source revenue and gains

	2017	2016
	\$'000	\$'000

Note 1.2A: Sale of goods and rendering of services

Sale of goods	521	561
Rendering of services	115,904	108,914
Total sale of goods and rendering of services	116,425	109,475

Note 1.2B: Recovery of costs

Legal	14,250	13,878
Merchant fees	16,090	15,856
Comcover insurance recoveries	3,133	2,050
Other	3,867	3,911
Total recovery of costs	37,340	35,695

Note 1.2C: Rental income

Operating lease property rental	2,619	3,662
Total rental income	2,619	3,662

Subleasing rental income commitments

Commitments for sublease rental income receivables are as follows:

Within 1 year	374	1,974
Between 1 to 5 years	732	256
More than 5 years	766	459
Total sublease rental income commitments	1,872	2,689

The Department in its capacity as lessor has a number of leasing arrangements in relation to property leases for onshore premises.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2017	2016
	\$'000	\$'000

Note 1.2D: Other revenue

Resources received free of charge

Property related	7,088	6,759
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Remuneration of auditors	1,175	1,290
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Other resources received free of charge	207	259
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Transfers from Department of Foreign Affairs and Trade	2,000	9,500
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Other revenue	645	2,441
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Total other revenue	11,115	20,249
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Note 1.2E: Other gains

Resources received free of charge	-	2,904
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Gain on sale of property, plant and equipment	342	50
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Foreign exchange gains – non speculative	90	67
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Write back of financial instruments	2,137	-
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Reduction in makegood provision	1,801	-
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Other	753	-
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Total other gains	5,123	3,021
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2. Income and Expenses Administered on Behalf of Government

2.1 Administered – Income

	2017 \$'000	2016 \$'000
<u>Note 2.1A: Taxation revenue</u>		
Customs duty	14,195,185	14,044,689
Other taxes		
Visa Application Charges	2,045,503	1,913,947
Passenger Movement Charge	1,028,442	913,468
Import Processing Charges	394,891	373,824
Licenses	14,294	13,125
Total other taxes	3,483,130	3,214,364
Total taxation revenue	17,678,315	17,259,053
<u>Note 2.1B: Non-taxation revenue</u>		
Immigration fees		
Citizenship	51,600	41,248
Other	-	695
Total immigration fees	51,600	41,943
Other revenue		
Recovery of detention costs	6,007	9,872
Immigration fines	792	1,693
Other penalties, fines and prosecutions	3,200	2,923
Other	5,992	6,873
Total other revenue	15,991	21,361
Total non-taxation revenue	67,591	63,304

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 revenue is described as follows.

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 CHARGE (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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2.2 Administered – Expenses

	2017 \$'000	2016 \$'000
Note 2.2A: Suppliers		
Services rendered		
Detention	949,982	1,107,330
Client support services	254,616	225,373
Health services	121,864	103,222
Property	103,250	106,057
Travel and transport	113,723	105,070
Contractors and consultants	9,245	6,218
Other	45,025	42,131
Total services rendered	1,597,705	1,695,401
Other suppliers		
Operating lease rentals	6,487	20,010
Total other suppliers	6,487	20,010
Total suppliers	1,604,192	1,715,411
Leasing commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	84	16,937
Between 1 to 5 years	321	6,181
More than 5 years	-	45
Total operating lease commitments	405	23,163
Operating leases included are effectively non-cancellable and include the leasing of facilities to accommodate Illegal Maritime Arrivals and residential leases to house contractors and interpreters.		
Note 2.2B: Personal Benefits		
Direct	217,717	276,520
Indirect	94,973	118,831
State payments – refugee minors	9,441	6,474
Total personal benefits	322,131	401,825

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

ACCOUNTING POLICY

Personal benefits are paid on behalf of Government to provide living cost support to refugees and other recipients awaiting an immigration outcome. Direct personal benefits comprise current transfers provided directly to individuals or households. These benefits are reported separately to indirect personal benefits, which 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.

	2017 \$'000	2016 \$'000
Note 2.2C: Writedown and impairment of assets		
Financial instruments		
Taxation receivables	20,220	6,683
Non-taxation receivables	2,388	32,046
Land and buildings	10,915	739
Leasehold improvements	4,581	371
Plant and equipment	331	151
Total writedown and impairment of assets	38,435	39,990
Note 2.2D: Other expenses		
Foreign exchange losses – non-speculative	1,353	3,123
Losses from asset sales	-	20
Act of grace payments	22	123
Gifting of public property	600	121
Other expenses	4	-
Total other expenses	1,979	3,387

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3. Departmental Financial Position

3.1 Financial assets

	2017 \$'000	2016 \$'000
Note 3.1A: Cash and cash equivalents		
Cash at bank	4,163	3,358
Cash on hand or on deposit	51	51
Total cash and cash equivalents	4,214	3,409
Note 3.1B: Trade and other receivables		
Goods and services receivables	45,745	41,542
Appropriations receivable		
Existing programs	381,800	445,045
Accrued for additional outputs	71,930	21,764
Total appropriations receivable	453,730	466,809
Other receivables		
Statutory receivables	20,704	29,217
Advances	-	156
Other	2,209	234
Total other receivables (gross)	22,913	29,607
Less impairment allowance	(23,099)	(19,533)
Total trade and other receivables (net)	499,289	518,425

Reconciliation of the impairment allowance

	Goods and services 2017 \$'000	Goods and services 2016 \$'000
As at 1 July	(19,533)	(15,454)
Restructuring	-	(1,391)
Amounts written-off	4,781	7,297
Amounts waived	16	39
Amounts recovered and reversed	(684)	(1,250)
Net increase recognised in net surplus/deficit	(7,679)	(8,774)
Total as at 30 June	(23,099)	(19,533)

All other receivables were assessed for impairment as at 30 June 2017.
No amounts were considered unlikely to be recoverable (2015–16: nil).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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.

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 2016							
Gross book value	24,291	47,266	152,184	392,352	309,071	1,095,166	2,020,330
Accumulated depreciation and impairment	-	(2,260)	(42,386)	-	(75,029)	(618,009)	(737,684)
Total as at 1 July 2016	24,291	45,006	109,798	392,352	234,042	477,157	1,282,646
Additions							
Purchased or internally developed	180	516	25,675	2,643	55,700	192,572	277,286
Revaluations and impairments recognised in other comprehensive income	(4,256)	(6,288)	-	8,509	-	-	(2,035)
Reclassifications	13	553	11,813	(5,485)	9,165	(16,059)	-
Depreciation and amortisation	-	(2,243)	(43,163)	(27,847)	(77,288)	(134,717)	(285,258)
Disposals	-	-	-	-	(33)	-	(33)
Write-offs	-	-	(4)	(83)	(573)	(4,795)	(5,455)
Other movements	1	(1)	-	-	(2)	(1)	(3)
Total as at 30 June 2017	20,229	37,543	104,119	370,089	221,011	514,157	1,267,148

Total as at 30 June 2017 represented by

Gross book value – fair value (recurring)							
Assets in use	20,229	37,918	178,828	397,825	325,313	-	960,113
Assets under construction	-	-	10,780	-	46,944	-	57,724
Gross book value – at cost							
Internally developed – in progress	-	-	-	-	-	174,970	174,970
Internally developed – in use	-	-	-	-	-	873,483	873,483
Purchased	-	-	-	-	-	70,889	70,889
Accumulated depreciation and amortisation ^a	-	(375)	(85,489)	(27,736)	(151,246)	(605,185)	(870,031)
Total as at 30 June 2017	20,229	37,543	104,119	370,089	221,011	514,157	1,267,148

a. The accumulated depreciation balance as at 30 June 2017 includes the impact of the revaluation process. 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 at 30 June 2017.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Revaluation of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated below. The Department engaged the services of Australian Valuation Solutions (AVS) to conduct the revaluations as at 30 June 2017.

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

As at 30 June 2017, contractual commitments for the acquisition of property, plant and equipment and intangible assets amounted to \$22.103 million (2015–16: \$33.150 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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.

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 surplus/deficit except to the extent that they reversed 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 is 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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.

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.

DERECOGNITION

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 derecognition.

Key accounting judgements and estimates

FAIR VALUE MEASUREMENT

The Department engages the services of an independent valuer 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 is 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.

	2017 \$'000	2016 \$'000
Note 3.2B: Other non-financial assets		
Prepayments	52,333	43,374
Contract incentive	8,421	6,737
Total other non-financial assets	60,754	50,111

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.3 Payables

	2017 \$'000	2016 \$'000
Note 3.3A: Suppliers		
Trade creditors and accruals	214,804	248,142
Operating lease rentals	15,523	16,080
Total suppliers	230,327	264,222
Note 3.3B: Other payables		
Wages and salaries	7,937	4,782
Superannuation	1,374	751
Unearned income	3,723	1,631
Separations and redundancies	8,330	7,088
Lease incentives	4,473	2,614
Other	324	432
Total other payables	26,161	17,298

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.

3.4 Provisions

Note 3.4A: Other provisions

	Restoration obligations ^a \$'000	Onerous contracts ^b \$'000	Total \$'000
As at 1 July 2016	38,210	-	38,210
Additional provisions made	-	122	122
Amounts reversed	(1,801)	-	(1,801)
Amounts used	(798)	-	(798)
Unwinding of discount or change in discount rate	(199)	-	(199)
Total as at 30 June 2017	35,412	122	35,534

- The Department has 109 (2015–16: 110) 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 1 (2015–16: Nil) agreement 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 cost 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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4. Assets and Liabilities Administered on Behalf of Government

4.1 Administered – Financial assets

	2017 \$'000	2016 \$'000		
<u>Note 4.1A: Taxation receivables</u>				
Customs duty	386,150	238,101		
Visa Application Charges	3,356	4,210		
Passenger Movement Charge	133,439	108,124		
Import Processing Charges and Licences	1,497	1,729		
Total taxation receivables (gross)	524,442	352,164		
Less impairment allowance	(24,939)	(11,012)		
Total taxation receivables (net)	499,503	341,152		
<u>Note 4.1B: Non-taxation receivables</u>				
Personal benefits	23,359	25,417		
Penalties, fines and prosecutions	5,560	30,343		
Statutory receivables	14,734	15,832		
Other	15,042	5,070		
Total non-taxation receivables (gross)	58,695	76,662		
Less impairment allowance	(24,194)	(55,162)		
Total non-taxation receivables (net)	34,501	21,500		
Reconciliation of the impairment allowance				
	Taxation receivables 2017 \$'000	Non-taxation receivables 2017 \$'000	Taxation receivables 2016 \$'000	Non-taxation receivables 2016 \$'000
As at 1 July	(11,012)	(55,162)	-	(5,249)
Restructuring	-	-	(7,294)	(25,577)
Amounts written-off	6,293	33,356	2,965	7,710
Increase recognised in net surplus	(20,220)	(2,388)	(6,683)	(32,046)
Total as at 30 June	(24,939)	(24,194)	(11,012)	(55,162)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Accounting policy

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.

Administered non-taxation receivables are held at amortised cost less any allowance for impairment.

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

	Land ^a \$'000	Buildings ^a \$'000	Leasehold improvements ^a \$'000	Plant and equipment \$'000	Total \$'000
As at 1 July 2016					
Gross book value	63,748	1,194,483	221,089	188,323	1,667,643
Accumulated depreciation and impairment	-	(82,293)	(30,499)	(14,468)	(127,260)
Total as at 1 July 2016	63,748	1,112,190	190,590	173,855	1,540,383
Additions					
Purchased	-	32,238	8,341	42,477	83,056
Revaluations and impairments recognised in other comprehensive income	(7,793)	(2,493)	-	-	(10,286)
Reclassifications	-	(55,530)	(14,882)	70,412	-
Depreciation	-	(86,191)	(28,082)	(19,044)	(133,317)
Write-offs	-	(10,915)	(4,581)	(331)	(15,827)
Total as at 30 June 2017	55,955	989,299	151,386	267,369	1,464,009
Total as at 30 June 2017 represented by					
Gross book value – Fair value (recurring)					
Assets in use	46,205	1,086,135	194,555	306,152	1,633,047
Assets held for sale	9,750	-	-	-	9,750
Assets under construction	-	70,779	-	1,884	72,663
Accumulated depreciation and impairment ^b	-	(167,615)	(43,169)	(40,667)	(251,451)
Total as at 30 June 2017^c	55,955	989,299	151,386	267,369	1,464,009

a. Land, buildings and leasehold improvements amounts includes assets held for sale. These are assets that are surplus to the current requirements and are expected to be sold to external parties in the next financial year. Total value is \$975 million (2015–16: \$25,135 million).

b. The accumulated depreciation balance as at 30 June 2017 includes the impact of the revaluation process.

c. On 16 May 2017, the Minister for Immigration and Border Protection announced that the Government was working towards a 31 October 2017 closure date for the Regional Processing Centre on Manus Island. As at 30 June 2017, the assets relating to Manus Island (net book value of \$383,305 million) were recognised in these statements.

No indicators of impairment were found for property, plant and equipment at 30 June 2017.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Revaluation of administered non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated in Note.3.2. The Department engaged the services of Australian Valuation Solutions (AVS) to conduct the revaluation as at 30 June 2017.

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

As at 30 June 2017, contractual commitments for the acquisition of administered property, plant and equipment amounted to \$22.525 million (2015–16: \$71.482 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4.3 Administered – Payables

	2017 \$'000	2016 \$'000
Note 4.3A: Suppliers		
Trade creditors and accruals	244,744	211,321
Total supplier payables	244,744	211,321
Note 4.3B: Personal benefits		
Direct	4,455	6,056
Indirect	16,770	13,142
State payments – refugee minors	1,975	1,775
Total personal benefits	23,200	20,973

4.4 Administered – Provisions

Note 4.4A: Provisions			
	Bonds \$'000	Security deposits \$'000	Total \$'000
As at 1 July 2016	7,676	1,524	9,200
Additional provisions made	13,799	2,423	16,222
Amounts refunded	(11,886)	(2,463)	(14,349)
Amounts forfeited	(941)	-	(941)
Total as at 30 June 2017	8,648	1,484	10,132

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 collects and repays security deposits on behalf of Government for the purposes of compliance with the *Customs Act 1901*. The Department collects four types of security namely Security-Dumping and Countervailing, Security-IPR Copyright & Trademark, Security-Temp Imports and Security-Warehouse & General.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5. Funding

5.1 Appropriations

	2017 \$'000	2016 \$'000
Note 5.1A: Annual and unspent appropriations		
Departmental		
Ordinary annual services		
Annual appropriations ^a		
Ordinary annual services	2,412,468	2,517,660
Departmental capital budget ^b	120,519	116,639
PGPA Act Section 74 receipts	155,054	211,194
Total annual appropriation	2,688,041	2,845,493
Appropriation applied (current and prior years) ^c	(2,787,424)	(2,883,978)
Variance^e	(99,383)	(38,485)
Opening unspent appropriation balance	378,325	308,078
Adjustments to appropriation ^f	-	108,732
Closing unspent appropriation balance (recoverable GST exclusive)	278,942	378,325
Balance comprises appropriations as follows:		
<i>Appropriation Act (No. 1) 2012–2013^g</i>	522	522
<i>Appropriation (Implementation of the Report of the Expert Panel Report on Asylum Seekers) Act (No. 2) 2012–2013^h</i>	600	600
<i>Appropriation Act (No. 1) 2013–2014^{i,j}</i>	257	257
<i>Appropriation Act (No. 1) 2014–2015^j</i>	10,538	10,538
<i>Appropriation Act (No. 3) 2014–2015^k</i>	3,275	3,275
<i>Appropriation Act (No. 1) 2015–2016 – Cash at Bank</i>	-	3,409
<i>Appropriation Act (No. 1) 2015–2016^m</i>	1,589	295,739
<i>Appropriation Act (No. 3) 2015–2016ⁿ</i>	36,765	63,985
<i>Appropriation Act (No. 1) 2016–2017 – Cash at Bank</i>	4,214	-
<i>Appropriation Act (No. 1) 2016–2017^o</i>	164,965	-
<i>Appropriation Act (No. 3) 2016–2017</i>	56,217	-
Total unspent annual appropriations (recoverable GST exclusive)	278,942	378,325

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2017 \$'000	2016 \$'000
Other services		
Annual appropriations ^a		
Equity injections	197,179	226,857
Total annual appropriation	197,179	226,857
Appropriation applied (current and prior years)	(144,214)	(155,235)
Variance^e	52,965	71,622
Opening unspent appropriation balance	144,871	41,346
Adjustments to appropriation ^f	-	31,903
Closing unspent appropriation balance (recoverable GST exclusive)	197,836	144,871
Balance comprises appropriations as follows:		
<i>Appropriation Act (No. 2) 2013–2014^{b,w}</i>	3,315	3,315
<i>Appropriation Act (No. 4) 2013–2014^{q,w}</i>	550	550
<i>Appropriation Act (No. 2) 2014–2015^r</i>	5,662	14,287
<i>Appropriation Act (No. 4) 2014–2015^s</i>	6,154	21,972
<i>Appropriation Act (No. 2) 2015–2016^t</i>	14,639	104,747
<i>Supply Act (No. 2) 2016–2017</i>	36,268	-
<i>Appropriation Act (No. 2) 2016–2017^v</i>	131,248	-
Total unspent annual appropriations (recoverable GST exclusive)	197,836	144,871

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2017 \$'000	2016 \$'000
<u>Administered</u>		
Ordinary annual services		
Annual appropriations ^a		
Administered items	2,250,836	2,396,702
Administered capital budget ^b	18,856	26,098
Total annual appropriation	2,269,692	2,422,800
Appropriation applied (current and prior years) ^d	(1,932,792)	(2,207,323)
Variance^e	336,900	215,477
Opening unspent appropriation balance	1,001,153	785,528
Adjustments to appropriation ^f	-	148
Closing unspent appropriation balance (recoverable GST exclusive)	1,338,053	1,001,153
Balance comprises appropriations as follows:		
<i>Appropriation Act (No. 1) 2012–2013^g</i>	2,700	2,700
<i>Appropriation Act (No. 1) 2013–2014^{i,w}</i>	10,036	10,036
<i>Appropriation Act (No. 3) 2013–2014^w</i>	87	87
<i>Appropriation Act (No. 1) 2014–2015^j</i>	341,999	347,217
<i>Appropriation Act (No. 3) 2014–2015^k</i>	24,226	24,226
<i>Appropriation Act (No. 5) 2014–2015^l</i>	172,582	172,582
<i>Appropriation Act (No. 1) 2015–2016 – Cash at Bank</i>	-	9,461
<i>Appropriation Act (No. 1) 2015–2016^m</i>	205,431	342,750
<i>Appropriation Act (No. 3) 2015–2016ⁿ</i>	50,656	92,094
<i>Supply Act (No.1) 2016–2017</i>	3,153	-
<i>Appropriation Act (No. 1) 2016–2017 – Cash at Bank</i>	8,831	-
<i>Appropriation Act (No. 1) 2016–2017^o</i>	374,840	-
<i>Appropriation Act (No.3) 2016–2017</i>	143,512	-
Total unspent annual appropriations (recoverable GST exclusive)	1,338,053	1,001,153

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2017 \$'000	2016 \$'000
Other services		
Annual appropriations ^a		
Administered assets and liabilities	124,374	205,690
Total annual appropriation	124,374	205,690
Appropriation applied (current and prior years)	(70,373)	(136,402)
Variance^e	54,001	69,288
Opening unspent appropriation balance	354,664	285,376
Closing unspent appropriation balance (recoverable GST exclusive)	408,665	354,664
Balance comprises appropriations as follows:		
<i>Appropriation Act (No. 4) 2013–2014^{g,w}</i>	62,000	126,311
<i>Appropriation Act (No. 2) 2014–2015^r</i>	131,438	137,500
<i>Appropriation Act (No. 2) 2015–2016^t</i>	28,853	28,853
<i>Appropriation Act (No. 4) 2015–2016^u</i>	62,000	62,000
<i>Supply Act (No.2) 2016–2017</i>	28,012	-
<i>Appropriation Act (No. 2) 2016–2017</i>	96,062	-
<i>Appropriation Act (No. 4) 2016–2017</i>	300	-
Total unspent annual appropriations (recoverable GST exclusive)	408,665	354,664

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- a. Appropriations as per Appropriation Acts (1 through 6) 2016–17. 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 2016–17 year are reflected in the relevant line.
- b. Capital Budgets are appropriated through Appropriation Act (No.1). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.
- c. Ordinary annual services applied: \$2,670 million (2015–16: \$2,765 million);
Departmental capital budget applied: \$117 million (2015–16: \$119 million).
- d. Administered ordinary annual services applied: \$1,909 million (2015–16: \$2,189 million);
Administered capital budget applied: \$24 million (2015–16: \$18 million).
- e. The Departmental 'Other services' equity variance relates to drawdowns from prior year appropriations. The Administered 'Other services' 'Administered assets and liabilities' variance relates to drawdowns from prior year appropriations. The Administered 'Ordinary annual services' variance relates to not yet paid liabilities under outcomes.
- f. Prior period adjustments reflect transfer of receivable from the former Australian Customs and Border Protection Service on integration.

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 for Departmental purposes.

- g. Departmental: \$0.522 million (2015–16: \$0.522 million); Administered: \$2.700 million (2015–16: \$2.700 million).
- h. Departmental: \$0.600 million (2015–16: \$0.600 million).
- i. Departmental: \$0.257 million (2015–16: \$0.257 million).
- j. Departmental: \$10.538 million (2015–16: \$10.538 million); Administered: \$341.996 million (2015–16: \$341.996 million).
- k. Departmental: \$3.275 million (2015–16: \$3.275 million); Administered: \$24.226 million (2015–16: \$24.226 million).
- l. Administered: \$155.143 million (2015–16: \$155.43 million).
- m. Departmental: \$1.589 million (2015–16: \$0.811 million); Administered: \$205.431 million (2015–16: \$197.865 million).
- n. Departmental: \$36.765 million (2015–16: nil); Administered: \$50.656 million (2015–16: \$12.251 million).
- o. Departmental: \$2.700 million (2015–16: nil); Administered: \$144.384 million (2015–16: nil).
- p. Departmental: \$3.315 million (2015–16: \$3.315 million).
- q. Departmental: \$0.550 million (2015–16: \$0.550 million); Administered: \$62.000 million (2015–16: \$62.000 million).
- r. Departmental: \$5.662 million (2015–16: \$5.662 million); Administered: \$96.500 million (2015–16: \$96.500 million).
- s. Departmental: \$6.154 million (2015–16: \$6.154 million).
- t. Departmental: \$14.639 million (2015–16: \$14.639 million); Administered: \$7.112 million (2015–16: \$7.112 million).
- u. Administered: \$58.228 million (2015–16: \$58.228 million).
- v. Departmental: \$13.319 million (2015–16: nil).
- w. These Appropriation Acts lapsed on 1 July 2017.

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 (PWGA) 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.

Note 5.1B: Special appropriations (recoverable GST exclusive)

			Appropriation applied	
			2017 \$'000	2016 \$'000
Authority	Type	Purpose		
<i>Public Governance, Performance and Accountability Act 2013, Section 77</i>	Unlimited account	Repayments required or permitted by law	460,435	517,776
<i>Taxation Administration Act 1953, Section 16</i>	Refund	Refund of receipts to individuals under the tourist refund scheme	202,287	192,695
Total			662,722	710,471

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.1C: Disclosure by agent in relation to annual and special appropriations (recoverable GST exclusive)

	DSS^a	ATO^b	DSS^a	ATO^b
	2017	2017	2016	2016
	\$'000	\$'000	\$'000	\$'000
Total receipts	1,862	202,287	2,130	192,695
Total payments	(1,862)	(202,287)	(2,130)	(192,695)

- 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.

5.2 Statutory conditions for payments from the Consolidated Revenue Fund

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/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.

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. During 2016–17, the Department improved its compliance governance and management oversight arrangements relevant to the collection of Customs Duty to improve the oversight of these high risk transactions and subsequently provide stakeholders with the assurance that the requirements of Section 83 are being complied with. The analysis for 2016–17 identified 367 (2015–16: 248) breaches, totalling approximately \$431,205 (2015–16: \$1,864,813) in relation to payments made under Section 77 of the PGPA Act. At 30 June 2017 \$285,088 (2015–16: \$1,856,884) of these amounts had been recovered or offset. The Department expects to recover or offset the remaining balance. Legislative amendments affecting the payment of refunds are waiting to be tabled in Parliament. These amendments would ensure payments due to wrongful self-assessment would not be subject to Section 83 breaches in the future.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.3 Special accounts

Note 5.3A: Special accounts (recoverable GST exclusive)

Australian Population Multicultural and Immigration Research Program (APMIRP)

Special Account (administered)

	2017	2016
	\$'000	\$'000
Balance brought forward from previous period	-	54
Total available for payments	-	54
Decreases		
Administered decreases	-	(54)
Total decreases	-	(54)
Total balance carried to the next period	-	-

The APMIRP special account ceased during the reporting period with the sunset clause taking effect on 1 October 2016.

Under *Financial Management and Accountability Determination 2006/38*:

1. The purposes of the Australian Population, Multicultural and Immigration Research Program special account in relation to which amounts may be debited from the special account are to:
 - a. conduct research into migration, migration settlement, multicultural affairs and population trends in accordance with approval from the responsible Minister in consultation with relevant state and territory ministers
 - b. carry out activities that are incidental to the purpose mentioned in paragraph (a)
 - c. repay to an original payer amounts credited to the special account and residual after any necessary payments made for a purpose mentioned in paragraph (a) or (b)
 - d. reduce the balance of the special account (and therefore the available appropriation for the account) without making a real or notional payment
 - e. repay amounts where an Act or other law requires or permits the repayment of an amount received.
2. To avoid doubt, incidental activities include:
 - a. the administration of the special account
 - b. dealing with direct and indirect costs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.4 Regulatory charging summary

Regulatory charging activities are those activities where the 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.

	2017 \$'000	2016 \$'000
Amounts applied		
Departmental		
Annual appropriations ^a	416,746	421,727
Total amounts applied	416,746	421,727
Expenses		
Departmental	464,922	466,455
Total expenses	464,922	466,455
Revenue		
Departmental ^b	828	816
Administered	451,142	418,662
Total revenue	451,970	419,478
Amounts written off		
Administered	7	7
Total amounts written off	7	7

a. Annual appropriations include the cash component of expenses plus any capital amounts for the given year.

This will exclude the non-cash expenses of depreciation and amortisation and movement in provisions.

b. Charges collected under the Import Processing Charges (IPC) as section 74 revenue.

Cost recovered activities

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 \$51.600 million (2015–16: \$41.248 million). Expenses totalled \$63.045 million (2015–16: \$56.720 million).

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 \$399.542 million (2015–16: \$378.230 million). Expenses totalled \$401.877 million (2015–16: \$409.735 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.5 Net cash appropriation arrangements

	2017 \$'000	2016 \$'000
Total comprehensive income/(loss) as per the Statement of Comprehensive Income	(278,670)	(302,809)
Depreciation/amortisation expenses previously funded through revenue appropriation	285,258	277,511
Total comprehensive income/(loss) less depreciation/ amortisation expenses previously funded through revenue appropriations	6,588	(25,298)
Changes in asset revaluation surplus	2,035	3,569
Surplus/(deficit) attributable to the Australian Government less depreciation/ amortisation expenses previously funded through revenue appropriation	8,623	(21,729)

From 2010–11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required. The Department is fully funded for capital expenditure through the Departmental Capital Budget (DCB) arrangements, except for major asset purchases/ replacements funded as equity injections through Appropriation Acts (No. 2, 4 and 6).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

6. People

6.1 Employee expenses and provisions

	2017 \$'000	2016 \$'000
Note 6.1A: Employee benefits		
Wages and salaries	893,539	910,124
Superannuation		
Defined contribution plans	93,195	84,664
Defined benefit plans	110,739	123,861
Leave and other entitlements	213,421	248,841
Separation and redundancies	21,979	9,717
Other employee expenses	76,501	73,793
Total employee benefits	1,409,374	1,451,000
Note 6.1B: Employee provisions		
Leave	395,062	415,305
Other	2,191	2,421
Total employee provisions	397,253	417,726

The 2016–17 average staffing level for the Department was 13,972 (2015–16: 13,832).

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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. On 5 October 2016, the Fair Work Commission issued an order under section 424(1) of the *Fair Work Act 2009* terminating Protected Industrial Action for the proposed Department of Immigration and Border Protection Enterprise Agreement. The Agreement is subject to arbitration by the Full Bench of the Fair Work Commission. To the extent that the arbitration results in a change to future salary rates, the financial impact will be recognised prospectively in accordance with applicable accounting standards.

LOCALLY ENGAGED EMPLOYEES

Locally engaged employees (LEE) are covered by individual employment contracts which are negotiated between the employee and DFAT 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 the Secretary, ABF Commissioner, Deputy Secretaries and Deputy Commissioners including those 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*.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

6.2 Key management personnel remuneration

	2017 (\$)	2016 (\$)
Note 6.2A: Key management personnel remuneration		
Short-term employee benefits	3,262,267	3,805,521
Post-employment benefits	532,910	689,083
Other long-term employee benefits	312,811	537,697
Termination benefits	-	287,080
Total key management personnel remuneration expenses	4,107,988	5,319,381

The number of key management personnel directly remunerated by the Department that are included in the above table is 11 (2015–16: 11). As this number includes managers 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 2016–17 was 8.00 (2015–16: 10.39).

6.3 Related party relationships

The Department is an Australian Government controlled entity. The Department's related parties are key management personnel including the Portfolio Minister and other Australian Government entities. The remuneration of key management personnel within Note 6.2 excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's 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 with 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.

Significant transactions with related parties can include:

- The payment of grants or loans;
- Purchase of goods and services;
- Asset purchases, sales transfers or leases;
- Debts forgiven; and
- Guarantees.

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

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	Claims for damages			Claims for damages		
	Indemnities	or costs	Other	Indemnities	or costs	Other
	2017	2017	2017	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contingent assets						
Balance from previous period	-	-	-	-	-	-
New contingent assets recognised	-	-	1,893	-	-	-
Assets realised	-	-	-	-	-	-
Rights expired	-	-	-	-	-	-
Total contingent assets	-	-	1,893	-	-	-
Contingent liabilities						
Balance from previous period	-	-	-	292	287	579
New contingent liabilities recognised	-	-	-	-	-	-
Liabilities realised	-	-	-	-	(100)	(100)
Obligations expired	-	-	-	(292)	(187)	(479)
Total contingent liabilities	-	-	-	-	-	-
Net contingent assets/(liabilities)	-	-	1,893	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Unquantifiable contingencies

As at reporting date the Department had 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 of any eventual payments in relation to these activities.

Accounting policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the Notes. 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7.2 Administered – Contingent assets and liabilities

	Claims for damages or costs 2017 \$'000	Claims for damages or costs 2016 \$'000
Contingent liabilities		
Balance from previous period	700	1,860
New contingent liabilities recognised	-	700
Liabilities recognised	(700)	(636)
Obligations expired	-	(1,224)
Total contingent liabilities	-	700
As at 30 June 2017 the Department had no quantifiable contingent assets or liabilities.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Unquantifiable contingencies

As at reporting date the Department had 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 amounts and the timing of any eventual payments that may be required in relation to these claims.

As at reporting date the Department holds a number of contingent assets in the form of securities that it collects as part of its revenue collection processes. The number of these securities that may be surrendered to the Commonwealth due to failure to meet legislative requirements cannot be estimated. The amount that may be collected is not quantifiable. From time to time, the Department needs to enforce these securities and collect the associated revenue.

IMMIGRATION DETENTION SERVICES BY STATE AND TERRITORY GOVERNMENTS – LIABILITY LIMIT

The Department has negotiated arrangements with a number of 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. Some jurisdictions sought indemnification by the Australian Government for the provision of those services. These agreements contain unquantifiable indemnities relating to any damage or loss incurred by state and territory governments arising out of, or incidental to, the provisions of services under the proposed agreements.

IMMIGRATION DETENTION SERVICES CONTRACT – LIABILITY LIMIT

The Department entered into a contract with Serco Australia Pty Ltd (Serco), which commenced on 11 December 2014, to deliver immigration detention services in Australia on behalf of the Australian Government at immigration detention facilities. The contract terms limit Serco's liability to the Department to a maximum of any insurance proceeds recovered by Serco up to a value of \$330 million. Serco's liability is unlimited for specific events defined under the contract.

GARRISON AND WELFARE SERVICES AT REGIONAL PROCESSING CENTRES CONTRACT – LIABILITY LIMIT

The Department entered into a contract on 24 March 2014 with Broadspectrum Limited (BRS) (formally known as Transfield Services Ltd) for the provisions of garrison and welfare services at Regional Processing Centres on behalf of the Australian Government. The contract terms limit BRS's liability to the Department to a maximum of any insurance proceeds recovered by BRS up to a value of \$50 million.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7.3 Financial instruments

	2017 \$'000	2016 \$'000
Note 7.3A: Categories of financial instruments		
<u>Departmental</u>		
Financial assets measured at amortised cost		
Cash and cash equivalents	4,214	3,409
Trade and other receivables	24,854	22,243
Total financial assets	29,068	25,652
Financial liabilities measured at amortised cost		
Suppliers	214,804	264,222
Total financial liabilities	214,804	264,222
<u>Administered</u>		
Financial assets measured at amortised cost		
Cash and cash equivalents	55,239	45,609
Non-taxation receivables	731	280
Total financial assets	55,970	45,889
Financial liabilities measured at amortised cost		
Suppliers	244,744	211,321
Total financial liabilities	244,744	211,321

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

8. Explanation of Budget Variances

8.1 Budget variances commentary and reporting

The following provides an explanation of the variance between the original budget as presented in the 2016–17 Portfolio Budget Statements (PBS) and the 2016–17 final actual result. The budget is not audited. The budget figures as reported 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. 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 performance of the Department.

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 2015–16 and opening 2016–17 Statement of Financial Position were known. This has a flow-on impact to closing balances of items in the 2016–17 PBS Statement of Financial Position;
- The original budget as presented in the 2016–17 PBS is amended by Government throughout the year. The Department's budget for 2016–17 was updated as part of the 2016–17 Portfolio Additional Estimates Statements (PAES) process and again as part of the 2017–18 PBS process where 'revised actuals' for 2016–17 are presented as comparatives for the 2017–18 budget figures; and
- 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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

8.1A Explanations for major variances

DEPARTMENTAL EXPENSES

The total variance between departmental expenses and the original budget estimate is an increase of \$181 million (or 7%). Increases in expenses can be attributed to:

- Supplier expenses were \$52 million higher than original budget as a result of providing an increased level of service. The additional service predominantly relates to the International Settlement Strategies – enhanced border protection measures and resettlement of refugees, as well as supplier costs associated with the additional amount of visa processing achieved throughout the year above that reflected in the original budget. The majority of the increase (\$45 million) was recognised in the PAES update;
- Employee benefits were \$54 million above the initial budget estimate, predominantly due to the higher volume of service delivery than had been initially anticipated. Labour costs are a primary driver behind the number of achieved visa finalisations; and
- Depreciation expense increased by \$53 million compared to the original budget largely due to changes in asset values from external revaluations, changes in useful lives due to adjustments in asset usage and the timing of capitalisations differing from that which was forecast in the original budget. PAES adjustments accounted for \$41 million of this increase.

DEPARTMENTAL INCOME

The total variation between departmental income and the original budget estimate is an increase of \$137 million (or 6%). This increase can predominantly be attributed to:

- An additional \$104 million appropriation funding recognised over the course of the year from a combination of variable funding model adjustments (\$72 million) linked to higher than anticipated levels of activity and new monies provided in the PAES update (\$32 million – notably including \$21 million for the International Settlement Strategy); and
- Increases in own source revenue (\$28 million), based on a combination of Electronic Travel Authority fees (\$12 million revenue, \$12 million expense which was budgeted on net terms), and a range of smaller elements including the loaning of a number of Cape Class Vessels to the Department of Defence (\$3 million), contribution from the Department of Foreign Affairs and Trade for the Nauru Hospital (\$2 million) and general increases in activity since 2014–15 (the actuals on which the budget figure was based).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

DEPARTMENTAL ASSETS

Total departmental assets are \$203 million (or 10%) less than the original budgeted position. This consists of \$65 million in financial assets and \$138 million in non-financial assets.

The variance for financial assets is primarily due to a number of non-recurring receivables and accruals recorded in 2014–15. Whilst these were not repeated in the following financial year, they did form the basis on which the original budget position was estimated. The final position is broadly in line with the revised estimate provided during the PAES process. The two key non-recurring items were:

- \$19 million linked to capital expenditure work supplied by the Department to ACBPS; and
- A \$15 million Fringe Benefits Tax (FBT) refund receivable relating to the difference between FBT instalments paid and the final FBT liability.

The non-financial assets are lower by \$138 million, with \$50 million relating to the difference in the opening actuals balance as at 1 July 2016 compared to the 2015–16 estimated actuals used for the opening balance in the original budget set in May 2016. The difference was due to revaluations as at 30 June 2016 that were not reflected in the budgeted year-end position.

The remaining difference (\$88 million) predominantly relates to:

- An increase in depreciation expense of \$53 million arising from new capitalisations and shortened useful lives of non-financial assets due to changes in usage;
- An underspend of capital expenditure of \$20 million mainly due to the slippage of New Policy Proposal projects (notably including Enterprise Project Management, Outward Automated Passenger Processing (Foreign Fighters), ABF Mobile Technologies, Emerging International Airports and Equipping the ABF); and
- A \$19 million write down of assets that had not been anticipated at the time the budget was prepared.

DEPARTMENTAL LIABILITIES

Total departmental liabilities are \$58 million (or 8%) less than the original budgeted position. This decrease is largely attributed to lower than anticipated employee provision balances of \$53 million. The lower employee provision balances is the result of a changed staffing profile since 2014–15 (the actuals on which the budget figures were based) and a budgeted pay rise not occurring.

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, variances in this Statement will be attributable to the relevant variance explanations provided above under departmental expenses, departmental revenue, departmental assets and departmental liabilities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

8.1B Explanations for major administered variances

ADMINISTERED EXPENSES

The total variation between the administered expense and the original budget estimate is a decrease of \$90 million (or 4%).

This can be predominantly attributed to:

- Supplier expenses were \$114 million lower than budget largely due to lower rates of returns and removals and underspends in legal costs, as the rate of removals and flows of claims to litigation has been slower than anticipated. Additionally, there has been lower than expected student numbers in the Education and English as a Second Language programs. The Department received government approval to move total funding of \$118 million from the 2016–17 financial year into the forward estimates which is reflected in the results;
- Personal benefits expense was lower than the original budget by \$60 million largely due to a reduction in the number of people receiving Income Support and associated payments as part of the Status Resolution Support Services (SRSS) program. This has been driven by finalisations of visa applications for individuals being assisted under the program; and
- There was higher than expected depreciation and amortisation costs of \$59 million that offsets the lower expenses above. Depreciation increased due to changes in asset values from external revaluations, changes in useful lives due to changes in asset usage and the timing of capitalisations differing from what was forecast in the original budget.

ADMINISTERED INCOME

The total variation between the administered income and the original budget estimate is an increase of \$265 million (or 2%).

The Customs Duty collected in 2016–17 was \$14,195 million, \$186 million above the original estimate of \$14,009 million. This can predominantly be attributed to Excise Equivalent Goods with volumes remaining above budgeted values, in particular tobacco imports.

Visa Application charges actuals were \$18m (or 1%) higher than the original budget due to increased demand in visitor visas.

Other tax collections were \$39m (or 3%) higher than the original budget due to an increase in eligible departing passengers made up of visitors and departing residents.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

ADMINISTERED ASSETS

Total assets are \$65 million (or 3%) less than the original budgeted position.

Financial assets ended \$301 million above budget. The closing taxation receivables are \$241 million (or 93%) higher than the original budget. This is in part due to slight increases in duty revenue recognition and the timing of weekly settlement process with large imports of Excise Equivalent Goods. This is a timing impact that was not included in the budget receivable figure.

Non-financial assets are \$366 million less than the original budgeted position. Of this amount, \$237 million relates to the difference in the opening actuals balance in July 2016 compared to the original budget set in May 2016. The remaining balance (\$129 million) has been influenced by:

- A decrease of \$59 million due to depreciation being higher compared to the original budget as a result of new capitalisations and shortened useful lives of non-financial assets linked to changes in planned usage of onshore detention centres;
- Reduced capital expenditure of \$24 million compared to budget that relates primarily to delays due to the Public Works Committee approval process which was temporarily delayed due to the 2016 Federal Election; and
- A decrease of \$17 million due to valuation changes for eight blocks of land and one building as a result of current year external revaluation advice.

Management and accountability

PART 5

CORPORATE GOVERNANCE	197
EXTERNAL SCRUTINY	209
CLIENT SERVICE	218
HUMAN RESOURCES MANAGEMENT	225
WORK HEALTH AND SAFETY	238
PROCUREMENT, SERVICES, ASSETS AND GRANTS	242
ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE	248

PART 5:

Management and accountability

Statement of main governance practices

The Department of Immigration and Border Protection (the Department or DIBP) has responsibility for administering legislation, policy development, programme management, compliance and service delivery. Given the breadth of these responsibilities, it is essential that the Department have a clear framework for its governance and decision-making processes, and that roles and responsibilities be clearly defined to ensure that objectives are achieved effectively and efficiently.

CORPORATE GOVERNANCE

Senior executives at 30 June 2017.



Michael Pezzullo was the Secretary of the Department, a position to which he was appointed on 13 October 2014. Michael was responsible for more than 13,700 staff across the Department and the Australian Border Force. He was responsible for ensuring the integrity of Australia's borders, with border security a key component of Australia's national security arrangements. Michael administered the effective management of the movement of people and goods across our border and maintained the integrated Department's integrity.



Michael Outram APM was the acting Australia Border Force Commissioner. Michael leads officers responsible for protecting Australia's national borders and fostering lawful cross-border trade and travel. Michael 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 and organised fraud of our visa system and exploitation of illegal workers, and the onshore immigration detention network.



Jenet Connell was the Chief Operating Officer and Deputy Secretary, Corporate Group. Jenet had responsibility for the delivery of people, health, corporate support, finance, ministerial and parliamentary services, communications, property, enterprise strategy and reform, and legal, integrity, risk, security and assurance services.



Maria Fernandez was the Deputy Secretary of the Intelligence and Capability Group. Maria was responsible for bringing together integrated support and enabling functions for the Department, including delivering and sustaining ICT systems, managing delivery of the capital investment programme and providing the departmental intelligence and biometrics capabilities.



Rachel Noble PSM was the Deputy Secretary Policy Group and Deputy-Comptroller-General. Rachel was responsible for ensuring the Department's comprehensive policy capability, including strategic policy and planning, immigration and citizenship, trade, traveller, customs, industry, and international policy.



Kaylene Zakharoff was the acting Deputy Secretary of the Visa and Citizenship Services Group, replacing Michael Manthorpe, who left the Department in May 2017. The Deputy Secretary Visa and Citizenship Services Group is responsible for visa and citizenship programmes, including service delivery and decision making spanning pre-lodgement, application, visa grant or refusal, visa cancellation, and conferral and revocation of citizenship. Kaylene is also responsible for the administration of the Refugee and Humanitarian Assistance Programme.



Wayne Buchhorn was the Acting Deputy Commissioner for the Operations Group within the Australian Border Force. Wayne was responsible for all operational activity relating to the management of travellers goods and cargo throughout the border continuum. This also included 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.



Mandy Newton APM was the Deputy Commissioner of the Support Group within the Australian Border Force from April 2017. The Group was responsible for delivering operational continuity through planning, support and training to achieve the ABF's operational outcomes. This included monitoring customs and immigration compliance and the delivery of specialist maritime capabilities, as well as the implementation and development of the operational workforce function. Mandy also led operational support for detention, including health and estate management, the wellbeing of children, and community programmes and settlement services, in addition to offshore regional processing activities, including the Manus Island decommissioning.

Senior management committees

Governance within the Department refers to the arrangements and practices that enable it to set directions and manage operations to achieve its mission, deliver stated priorities, and meet accountability obligations. It is a combination of mechanisms, processes and structures designed to support good decision-making at all levels.

The Department's executive governance structure consists of a range of governance bodies and external/independent committees. It provides clear and transparent governance arrangements that have produced an effective and open decision-making

system with clearly defined roles and responsibilities. This includes accountability and delegation for decision-making that encourages the best use of organisational capabilities and support in achieving our goals and objectives.

The Public Governance, Performance and Accountability Act 2013 (PGPA Act) sets out

requirements for the governance, reporting and accountability of Commonwealth entities and for their use and management of public resources. It vests many of the powers and responsibilities for the financial management of a Commonwealth entity in

the hands of the accountable authority, and sets out a series of duties that the authority must meet.

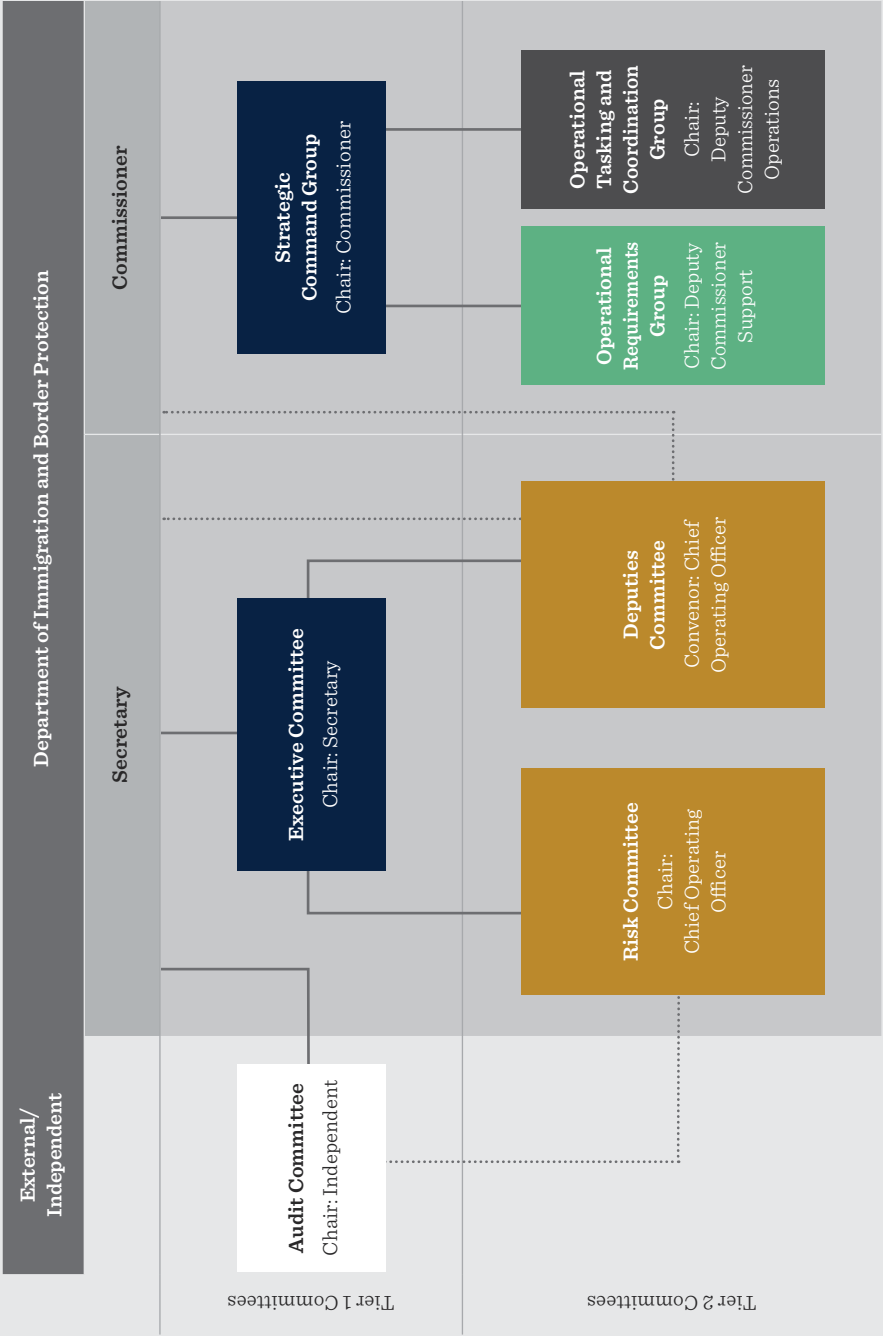
The Secretary was the accountable authority under the PGPA Act, and was supported by the:

- Executive Committee
- Deputies Committee
- Risk Committee
- Audit Committee

The Australian Border Force Commissioner was supported by the:

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

Figure 7: Senior governance bodies for 2016–17



Executive Committee

The Executive Committee was the Department's premier forum for decision-making by the Secretary, the ABF Commissioner and the Deputies on all corporate and

department-wide matters, including high-level strategy, planning, resource allocation, operations, implementation, assurance and evaluation.

The Executive Committee was chaired by the Secretary, who was the final decision-maker on department-wide matters brought before the Committee.

Deputies Committee

The Deputies Committee was the Department's forum for consultation and coordination on major corporate and department-wide matters, including

high-level strategy, planning, performance, resource allocation, financial management, people, culture, operations, implementation, assurance and evaluation.

The Deputies Committee was convened by the Chief Operating Officer, whose role was to facilitate open discussion, problem solving and the resolution of issues.

Audit Committee

Section 45 of the PGPA Act requires the Secretary to ensure that the Department has an audit committee. The role of the Audit Committee was to review and provide independent assurance and assistance to the Secretary and ABF Commissioner on the appropriateness of the Department's risk oversight and management, system of internal controls, financial reporting and performance reporting.

In 2016–17 the Audit Committee comprised three external members, including the Chair, and two departmental members. The Committee met six times in 2016–17, including a special meeting to clear the financial statements. The Chair reported to the Secretary and ABF Commissioner after each meeting on key issues arising from the Committee's meeting and activities.

To support the Audit Committee perform its functions, a Financial Statements Sub-Committee, chaired by an external Audit Committee member, met regularly to review the process of preparing the Department's annual financial statements.

Risk Committee

The Risk Committee advises the Secretary and Commissioner, through the Executive Committee, on critical risks and risk	management improvement activities. It is chaired by the Deputy Secretary Corporate Group and has representation at the Band 2 level from every	Group in the Department. The Risk Committee replaces the previous Risk Working Group.
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Strategic Command Group

The Strategic Command Group (SCG) was responsible for endorsing input into the Department’s strategic plan, and for setting ABF	operational priorities for the financial year. The ABF Commissioner was the chair and responsible	officer for the decisions and directions of the SCG, which met once every three months.
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Operational Requirements Group

The Operational Requirements Group (ORG) coordinated the provision of advice and information for the ABF’s support capabilities. The ORG, chaired by Deputy	Commissioner Support Group, set the capability direction aligned with the SCG’s operational priorities and provided awareness and assessment of the ABF’s existing and future capability	needs. Meetings were held monthly, with the option to increase frequency and/or call emergency meetings if the Chair required.
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Operational Tasking and Coordination Group

The Operational Tasking and Coordination Group (OTCG), formerly Strategic Tasking and Coordination Group, supported the work of the Strategic Command Group (SCG) and reported to it. The OTCG was responsible for developing, implementing and monitoring operational priorities authorised by the SCG. These were used	to provide direction to all organisational units responsible for ABF operational activities. The OTCG was responsible for ensuring the completion, monitoring and implementation of enforcement strategies and the intelligence, disruption, enforcement and compliance	plans for operational priorities set by the SCG. Deputy Commissioner Operations Group was the chair and the responsible officer for the decisions and directions of the OTCG, which met monthly.
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Business and corporate planning

Business planning aligns activities undertaken by the Department's business areas to its strategic objectives and purposes. In 2016–17 the practice enabled business areas to identify their priorities by assessing how they would contribute to achieving the organisational outcomes outlined in *Strategy 2020* and *Corporate Plan 2016–17*, and helped to establish clearer lines of accountability.

Corporate Plan 2016–17 is the Department's principal annual planning document. It is the operational companion to *Strategy 2020* and *ABF 2020*, and is aligned with the broader reform programme. Produced annually and covering a four-year period, it articulates what we will do and how we will measure our success.

Corporate Plan 2016–17, published on 31 August 2016 (in accordance with the PGPA Act), was the second corporate plan to be produced under the enhanced Commonwealth performance framework and the first to include the Department's three purposes:

- manage the movement of people and goods to contribute to a strong economy
- manage the movement and stay of people to contribute to a cohesive society
- manage the border to contribute to a safer, secure Australia.

These purposes describe the benefits delivered to the Australian community and form the basis against which departmental performance is measured. The performance measures contained within the 2016–17 plan are reported throughout this Annual Report.

Risk, fraud and integrity measures

Risk management

The Department operates in a complex and high-risk environment. A comprehensive and active approach to risk management helps us anticipate, identify and respond to risk for all departmental activities and reflects our obligations in accordance with section 16 of the PGPA Act and the *Commonwealth Risk Management Policy*⁴⁹.

In 2016–17 the Department focused on maturing its approach to identifying and managing risk. It established a Risk Committee, chaired by a Band 3 officer, to help to improve risk management at all levels and provide oversight of managing enterprise risks. The Committee also focused on reassessing and improving its approach to managing the Department's enterprise risks.

The roadmap for strengthening the management of risk is focused on improving risk behaviour, integrating risk with other governance and strategic planning activities, and creating a positive risk culture within the Department.

Internal audit arrangements

The Strategic Assurance Programme (SAP) is one of the principal risk-mitigation measures and an integral element of the Department's assurance model. The SAP 2016–17 incorporated all independent assurance activities conducted within the Department, including internal audits.

It was developed following an analysis of the Department's risk profile and extensive consultation with senior executives.

There were 16 activities completed from the SAP 2016–17, covering the following key themes:

- national security
- significant reform and change support
- programme management
- project management
- procurement and contract management
- core corporate activities
- Australian Border Force
- information technology.

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

49 www.finance.gov.au/sites/default/files/commonwealth-risk-management-policy.pdf

External audit

Fraud control and anti-corruption measures

Given the Department's unique operating environment, robust and well-developed mechanisms to assess and manage fraud and corruption risks are critical.

Following the integration of DIBP with ACPBS from 1 July 2015, the Department developed the Fraud Control and Anti-corruption Framework and *Fraud Control and Anti-corruption Plan 2015–2017* to detail its approach to and strategy for managing internal fraud and corruption risks. These documents focused on managing risks during integration.

As required by the Commonwealth *Fraud Control Framework 2014* and section 10 of the Public Governance, Performance and Accountability Rule 2014, during 2016–2017

the Department conducted fraud and corruption risk assessments covering key functions. These guided the development of the *Fraud Control and Corruption Prevention Plan 2017–2019*, which details how the Department meets its obligations under the Commonwealth Fraud Control Framework to deter, detect and deal with fraud and corruption.

The Department's Executive, line areas and the Integrity, Security and Assurance (ISA) Division manage fraud and corruption risk through a strategic partnership. The Division's Fraud Control Office (FCO) plays a critical role by analysing systemic fraud and corruption risks across the Department and helping line areas to conduct and develop their own assessments by identifying risks, controls and treatment actions.

The FCO updates the Audit Committee on fraud and corruption matters, under a standing agenda item. The Committee is told whether matters have been considered and addressed through fraud and corruption risk assessments, and advised of their potential financial impact. This information enables the Audit Committee to fulfil its oversight responsibilities.

The Department is working to enhance its reporting capability, including improving the way in which instances of fraud and corruption are recorded and reported.

Accountability, integrity and ethical standards

Establishing and maintaining ethical standards

The Department’s Integrity Framework, implemented at integration on 1 July 2015, had been in place for two years at the end of the reporting period. It contains policy measures to protect the Department and its staff against corruption risks, and to promote a professional, accountable and ethical workforce. These measures include mandatory reporting, drug and alcohol testing, employment suitability screening and integrity testing.

The Department’s Integrity and Professional Standards (I&PS) Branch investigates alleged breaches of the APS Code of Conduct and other Commonwealth

legislation. Over the 2016–17 financial year, the Special Investigations Unit, situated in the I&PS Branch, expanded its ability to investigate serious and sensitive integrity issues. The Branch also worked closely with the Australian Commission for Law Enforcement Integrity (ACLEI) and other partner agencies to detect, investigate and deter corruption issues in the Department.

In 2016–17 the Department released the Our Professional Standards eLearning course to help departmental staff to understand their obligations under the Integrity Framework. The course is the newest addition to a suite of mandatory eLearning courses that cover the professional standards

obligations of all staff, and must be completed annually.

An Ethical Decision-Making training programme, which was piloted in 2015–16, continued to be delivered across the Department in 2016–17. It is intended to provide staff with the skills to recognise ethical decisions in the workplace and to identify vulnerabilities, bias and risk in decision-making.

Leadership conversations continue to be held with Senior Executive Service (SES) and Executive Level (EL) staff to explore how the Integrity Framework applies in the workplace, and to equip EL staff to have similar conversations with their teams.

Notification requirements of section 19 (1)(e) of the *Public Governance, Performance and Accountability Act 2013*

There are no matters to be reported.

EXTERNAL SCRUTINY

Developments in external scrutiny

Reports by external bodies

Office of the Australian Information Commissioner

The Department continued to work closely with the Office of the Australian Information Commissioner (OAIC) in 2016–17. The OAIC conducted six privacy assessments under the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014* over the course of 2016–17:

- Assessment of Schedule 5 of the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014* – finalised October 2016
- Assessment of Schedule 6 of the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014* – finalised October 2016
- Assessment of Schedule 7 of the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014* – yet to be finalised
- Assessment of Schedule 5 of the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act*

2014 – yet to be finalised

- Assessment of Schedule 6 of the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014* – yet to be finalised
- Assessment of Schedule 5 of the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014* – yet to be finalised.

All finalised assessments reports, which include the Department's response to assessment recommendations, are publicly available on the OAIC website.⁵⁰

The OAIC also undertook an additional privacy assessment examining the way the Department manages passenger name record (PNR) data. This assessment was conducted under a Memorandum of Understanding (MoU) between the Department and the OAIC. This MoU provides funding to the OAIC to undertake annual privacy

reviews of the Department's handling of PNR data. The current assessment is yet to be finalised.

Australian Human Rights Commission

The Australian Human Rights Commission (AHRC) reports under the *Australian Human Rights Commission Act 1986*. Ten reports concerning the Department's activities were tabled in the Australian Parliament and subsequently published on the AHRC website.⁵¹ This was an increase from six reports tabled in 2015–16.

The reports were:

- No. 104 Lee family and Misinale family v Commonwealth of Australia (DIBP) (tabled November 2016)
- No. 106 Ms Bakhtiari and Master Reza Bakhtiari v Commonwealth of Australia (DIBP) (tabled November 2016)
- No. 107 Six persons with adverse security

⁵⁰ www.oaic.gov

⁵¹ www.humanrights.gov.au

assessments detained in immigration detention, and family members affected by their detention v Commonwealth of Australia (DIBP) (tabled November 2016)

- No. 108 Bam v Commonwealth of Australia (DIBP) (tabled April 2017)
- No. 109 Bakhtiari v Commonwealth of Australia (DIBP) (tabled April 2017)
- No. 110 Ms AR on behalf of Mr AS, Master AT and Miss AU v Commonwealth of Australia (DIBP) (tabled April 2017)
- No. 111 BA v Commonwealth of Australia (DIBP) (tabled June 2017)
- No. 112 AX v Commonwealth of Australia (DIBP) (tabled June 2017)
- No. 114 BF on behalf of Master BG v Commonwealth of Australia (DIBP) (tabled June 2017)
- No. 115 BW v Commonwealth of Australia (DIBP) (tabled June 2017).

Reports from the Office of the Commonwealth Ombudsman

The Commonwealth Ombudsman released four investigation reports concerning the Department's activities in 2016–17:

- Investigation into the Tourist Refund Scheme and the application of the 30 minute rule
- The Administration of Section 501 of the *Migration Act 1958*
- The Administration of people who have had their bridging visa cancelled due to criminal charges or convictions and are held in immigration detention
- Investigation into the processing of asylum seekers who arrived on the SIEV Lambeth in April 2013.

The annual report on the Commonwealth Ombudsman's monitoring of agency access to stored communications and telecommunications data under Chapters 3 and 4 of the *Telecommunications (Interception and Access) Act 1979* was also released in

2016–2017. It presents the results of the Commonwealth Ombudsman's inspection of 20 law enforcement agencies, including DIBP.

The Commonwealth Ombudsman is required by 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 website.⁵²

Reports by the Auditor-General

The Auditor-General released seven audit reports that examined the Department in 2016–17.

Four of these reports assessed functions undertaken only by the Department:

⁵² www.ombudsman.gov.au.

- *Delivery of Health Services in Onshore Immigration Detention (ANAO Report No. 13 2016–17)*: The audit objective was to assess the effectiveness of the Department's administration of health services in onshore immigration detention.
- *Offshore Processing Centres in Nauru and Papua New Guinea: Procurement of Garrison Support and Welfare Services (ANAO Report No. 16 2016–17)*: The audit objective was to assess whether the Department had appropriately managed the procurement of garrison support and welfare services at offshore processing centres in Nauru and Papua New Guinea (Manus Island), and whether the processes adopted met the requirements of the Commonwealth Procurement Rules, including consideration and achievement of value for money.
- *Offshore Processing Centres in Nauru and*

Papua New Guinea: Contract Management of Garrison Support and Welfare Services (ANAO Report No. 32 2016–17): The audit objective was to assess whether the Department adopted sound contract management practices for the delivery of garrison support and welfare services for offshore processing centres in Nauru and Manus Island.

- *The Australian Border Force's Use of Statutory Powers (ANAO Report No. 39 2016–17)*: The audit objective was to assess the establishment and administration of the ABF's framework to ensure the lawful exercise of powers in accordance with applicable legislation.

Three of these reports assessed functions undertaken by several agencies, including the Department:

- *Controls over Credit Card Use (ANAO Report No. 8 2016–17 – cross-entity audit)*: The audit objective was to assess whether

selected entities (DIBP, Australian Public Service Commission and Fair Work Ombudsman) are effectively managing and controlling the use of Commonwealth credit cards for official purposes, in accordance with legislative and policy requirements.

- *Government Advertising: March 2013 to June 2015 (ANAO Report No. 22 2016–17 – cross-entity audit)*: The audit objectives were to assess the effectiveness of the ongoing administration of the Australian Government's campaign advertising framework (by the Department of Finance); and assess the effectiveness of the selected entities' (DIBP, Department of Treasury and Department of Education and Training) administrations in developing advertising campaigns and implementing key processes against the requirements of the campaign advertising

framework applying at the time, and relevant legal and government policy requirements.

- *Cybersecurity Follow-up Audit (ANAO Report No. 42 2016–17 – cross-entity audit)*: The audit objective was to re-assess the three entities' (DIBP, Australian Taxation Office and Department of Human Services) compliance with the 'Top Four' mandatory strategies in the *Australian Government Information Security Manual (ISM)*. The audit also examined the typical challenges faced by entities to achieve and maintain their desired ICT security posture.

These reports were tabled in the Australian Parliament and are publicly available on the Australian National Audit Office's website.⁵³

Child Protection Panel

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*⁵⁴, was released on 16 December 2016. The report made 17 formal recommendations which the Department accepted fully, partially or in principle.

Royal Commission into Institutional Responses to Child Sexual Abuse

The Royal Commission into Institutional Responses to Child Sexual Abuse conducted a public hearing of Case Study 51 on 6–8 March 2017. Senior officers of the Department and a representative of the Child Protection Panel attended the hearing on

6 March 2017 to respond to the Commissioner's inquiries regarding the Immigration portfolio. As part of the hearing, the Royal Commission examined the response of the Commonwealth Government to the recommendations of the Child Protection Panel in its report, *Making Children Safer: The wellbeing and protection of children in immigration detention and regional processing centres*.

⁵³ www.anao.gov.au

⁵⁴ www.border.gov.au/ReportsandPublications/Documents/cpp-report-making-children-safer.pdf

Capability reviews

The Department conducted three capability reviews in 2016–17.

Detention

Capability Review⁵⁵

The Detention Capability Review was a thorough examination of the immigration detention network, undertaken to ensure that it is strategically aligned, affordable, sustainable and supports capability needs now and in the future. The findings of the review reflect the limited utility and high cost of the long-term and widespread use of held detention as a means of managing individuals while their immigration status is being resolved. Ultimately, better outcomes and efficiencies can be achieved through improved approaches involving greater use of placement options aligned to an individual's risk assessments.

Functional and Efficiency Review

As part of the Government's Efficiency through Contestability Programme, the Department participated in a Functional and Efficiency Review. Led by Mr Ric Smith, a former Secretary of the Department of Defence, the review assessed the efficiency and effectiveness of the Department's operations, programmes and administration across the full extent of its functions, including immigration, customs, border protection and civil maritime security, to ensure they aligned with the Government's priorities. The review further considered the Department's ability to achieve its outcomes, whether its functions were appropriate for government to undertake, and examined opportunities for contestability.

Mr Smith gave his report to the Minister for Immigration and Border Protection and the Minister for Finance in October 2016. It included 48 recommendations, to which the Department is preparing a formal response.

RAND report⁵⁶

In 2016 the RAND Corporation, at the Department's invitation, analysed the effectiveness and efficiency of the integrated Department. RAND found that, overall, integration had served as a catalyst for increasing operational effectiveness and efficiency, and that substantial progress had been made in building the capability of the integrated organisation. Significant improvements were seen in the integrated Department's approach to intelligence sharing and investigations.

⁵⁵ www.border.gov.au/ReportsandPublications/Documents/reviews-and-inquiries/dcr-final-report.pdf

⁵⁶ www.border.gov.au/ReportsandPublications/Documents/reviews-and-inquiries/assessment-consolidation-acbps-dibp-report-rand.pdf

RAND's analysis also identified opportunities for improvement and the importance of continued leadership drive and commitment, which the Department is working to implement. The Department

is committed to fostering a single organisational culture and capacity building across the organisation to enhance its effectiveness. A year after publication of this report, the RAND Corporation will conduct

a follow-up evaluation of the progress of integration, along with an assessment of lessons learned from the Department's integration experiences during 2014–17.

Reports from parliamentary committees

The Parliament of Australia may refer bills, policies or issues affecting the wider community to a

parliamentary committee for inquiry. The table below outlines parliamentary committee reports released

during the reportable period when the Department was the lead agency.

Table 15: Reports from parliamentary committees 2016–17

Report	Committee	Date
<i>Migration Amendment (Family Violence and Other Measures) Bill 2016 [Provisions]⁵⁷</i>	Senate Legal and Constitutional Affairs Legislation Committee	10 October 2016
<i>Review of the declaration of Islamic State as a terrorist organisation under the Australian Citizenship Act 2007⁵⁸</i>	Parliamentary Joint Committee on Intelligence and Security	7 November 2016
<i>Migration Legislation Amendment (Regional Processing Cohort) Bill 2016 [Provisions]⁵⁹</i>	Senate Legal and Constitutional Affairs References Committee	22 November 2016
<i>Migration Amendment (Visa Revalidation and Other Measures) Bill 2016 [Provisions]⁶⁰</i>	Senate Legal and Constitutional Affairs References Committee	28 November 2016
<i>Migration Legislation Amendment (Code of Procedure Harmonisation) Bill 2016 [Provisions]⁶¹</i>	Senate Legal and Constitutional Affairs References Committee	14 February 2017
<i>Proposed Yongah Hill Immigration Detention Centre Hardening Project at Mitchell Avenue, Northam, Western Australia⁶²</i>	Parliamentary Standing Committee on Public Works	30 March 2017
<i>Serious allegations of abuse, self-harm and neglect of asylum seekers in relation to the Nauru Regional Processing Centre, and any like allegations in relation to the Manus Regional Processing Centre⁶³</i>	Senate Legal and Constitutional Affairs References Committee	21 April 2017
<i>Proposed fit-out of new leased premises for the Department of Immigration and Border Protection Headquarters Project⁶⁴</i>	Parliamentary Standing Committee on Public Works	22 May 2017
<i>Proposed Melbourne Immigration Transit Accommodation Project, Broadmeadows, Victoria⁶⁵</i>	Parliamentary Standing Committee on Public Works	29 May 2017

57 www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/MigrationFamilyViolence/Report

58 www.aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/decofIslamicState/Report

59 www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/RegionalProcessing2016/Report

60 www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/VisaRevalidation2016/Report

61 www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/MigrationHarmonisation/Report

62 www.aph.gov.au/Parliamentary_Business/Committees/Joint/Public_Works/YongahHill/Report_1

63 www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/NauruandManusRPCs/Report

64 www.aph.gov.au/Parliamentary_Business/Committees/Joint/Public_Works/DIBPHeadquarters/Report_4

65 www.aph.gov.au/Parliamentary_Business/Committees/Joint/Public_Works/MITAProject/Report_5

Judicial and administrative tribunal decisions

Notable decisions

One of the most significant judgements of the year was *Plaintiffs M96A & Anor v Commonwealth & Anor* [2017] HCA 16. It was a positive result for the Minister, with the High Court confirming that the *Migration Act 1958* validly authorises the detention of transitory persons while they are in Australia for a temporary purpose.

Civil litigation

The Department receives a relatively small number of claims for monetary compensation. 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 2017, departmental records indicate that there were 93 claims for compensation in the courts or with the Fair Work Commission.

Complaints

Office of the Commonwealth Ombudsman

The Department received 376 complaints from the Commonwealth Ombudsman in 2016–17, a slight decrease of 6 per cent from the previous year.

There were 382 complaints finalised during 2016–17.

The Department received eight own motions in 2016–17, and four were closed during this period.

Australian Human Rights Commission

The Department received 70 complaints from the Australian Human Rights Commission in 2016–17, a substantial decrease of 42 per cent from the previous year. Complaints from people in detention have significantly decreased.

There were 70 complaints finalised during 2016–17.

Office of the Australian Information Commissioner

The Department received 10 privacy complaints from the Office of the Australian Information Commissioner in 2016–17. In all, 12 matters were resolved during the period.

Freedom of Information

In 2016–17 the Department received 19,267 Freedom of Information (FOI) requests, including amendment requests, compared with 23,977 requests received in 2015–16. This represents a 19 per cent decrease from the previous year. Of the requests received in 2016–17, 18,747 were for personal and 520 for non-personal information.

The Department's FOI compliance rate (requests finalised within statutory timeframes) for 2016–17 was 28.9 per cent. At 30 June 2017, the Department had 3,284 overdue requests on hand.

During the year the Department finalised 20,266 FOI requests. Of these 19,163 were access requests and 1,103 were amendment requests. Of the 19,163 access requests:

- 11,232 cases were granted full access
- 5,815 cases were granted part access
- 920 cases were refused access
- 1,196 applicants withdrew their requests before a decision on access was made.

CLIENT SERVICE

The Department is committed to excellence in client service and continues	to improve services by developing existing channels and expanding online	service delivery across visa and citizenship services, customs and trade.
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Channel Strategy 2017–20

The Department is driving fundamental changes to the way in which it engages with individuals and businesses. It seeks to be a world leader in border management and to set the global benchmark in all facets of its work. Digital and business transformation is integral to achieving this. The Department’s <i>Channel Strategy 2017–20</i> , which was	endorsed by the Department in May 2017, describes how this will be done. The Channel Strategy provides the enterprise-wide approach to management across digital, paper, in-person and phone channels. It provides the framework for the way the Department will deliver migration,	citizenship and trade information and advice to clients, using high-quality cross-channel technology and digital services, such as messages and alerts. The Channel Strategy also sets the direction for the Department to improve its service delivery to an increasing number of people and businesses.
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The client experience

The Department undertakes client-focused research to improve the design and delivery of its services. It continues to develop its user-centred design capabilities to provide a seamless experience for people engaging with the Department. During 2016–17 the Department’s research included in-depth interviews and focus groups to understand clients’	experience and frustrations. 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 also undertook research to improve its correspondence and to help clients better understand the information required at different points during the visa application process.	The Department obtains regular feedback from clients. The citizenship appointment booking service, available in Melbourne, has consistently received user satisfaction scores of 95 per cent and above. A survey following the appointment also provides useful insights to continuously improve the service to meet user needs. This information is regularly published on the Digital Transformation Agency’s performance dashboard.
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Digital services

ImmiAccount, the Department's digital front door, allows individuals and businesses to lodge, track, manage and pay for a range of visa and citizenship applications online, and to access a range of other departmental services. Use of ImmiAccount continues to grow, with some 5.7 million accounts created since 2013, and an average of 7,500 new forms submitted every day.

User research and feedback show that ImmiAccount continues to meet client needs and expectations. At the end of 2016, the Department introduced a more friendly mobile application and improvements to the ImmiAccount registration process. Further changes to support improved data capture have seen validation

of email addresses in online application forms, as well as changes to the way the Department captures consent to communicate with clients electronically. This has significantly reduced postal correspondence.

There were further changes to the Department's online visa and citizenship application processes during 2016-17. These included expanding online lodgement for Chinese and Indian passport holders to apply for the tourist and business visitor streams of the Visitor (subclass 600) visa, and a new digital form for clients to apply for evidence of Australian citizenship. Reform of the Temporary Activity visa programme introduced new online forms to support clients applying for the new visa subclasses.

A range of new services were introduced to allow Australian citizens applying for an Asia-Pacific Economic Cooperation (APEC) Business Travel Card to lodge, renew, pay and manage their application online, through ImmiAccount. In addition, new forms provide electronic lodgement options for protection visas as well as online requests for cancellation of a temporary visa.

ImmiAccount will continue to be enhanced to provide a better online experience and easier access to important information and services in support of the Department's long-term programme of transformational change to the way in which visa and citizenship services are delivered.

In-person services

As the Department improves digital services, it will be possible to do online many transactions that have previously been done in person. This will reduce cost and time for individuals, businesses and government.

The Department has made considerable progress in encouraging self-service through digital channels for visa, customs and trade functions, and is moving to an appointment-only operating model. This

will support the Channel Strategy's aim of having high-cost in-person services preserved for individuals and businesses that need to access services in person.

One step in delivering the appointment-only model has been the development of the appointment booking service, piloted in Melbourne in 2016, for citizenship appointments. This will be extended to other departmental offices in 2017–18. The service lets clients book appointments

and if necessary change them to a more convenient time.

The Department has reduced the number of face-to-face transactions at its cargo clearance counters. All cargo clearance payments are now made electronically and work has begun to modernise the way the Department identifies importers and their representatives so that they do not have to present themselves at a counter.

Translating and Interpreting Service

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

In 2016–17 TIS National provided 1,016,982 phone interpreting services and 106,361 on-site services through 2,694 independent contracted interpreters.

The Department recently obtained formal authority to continue to offer language services to organisations other than DIBP, at a market rate. The endorsed pricing model was introduced in the 2016–17 financial year and reduced the median

interpreting cost to clients by 20 per cent. These savings follow reductions in the true cost of service that have been achieved through continuous improvements and technology investments made by the Department.

There has been significant investment in innovative technology at TIS National. This includes the launch of TIS Video Connect in February 2017, a new channel using

commercial-grade video-conferencing technology to deliver remote, video-based interpreting services, as well as enhancements to TIS National's telephony platform and the launch of TIS Voice in December 2016. TIS Voice has multiple components that offer lower cost

channels to clients as part of the Department's channel management strategies.

There has been continuing development of TIS Online, an application that allows clients to self-manage on-site interpreting job requests and allows interpreters to

self-select their work. TIS Online was awarded the DIBP 2016 Australia Day Award Achievement Medallion for improved customer service. TIS National also won two gold Government Design Awards in 2016.

Sydney Service Centre

The Department implemented the findings of the operational review of the Sydney Service Centre, the Streamline Services Project. One outcome of the review has been the simplification of the interactive voice-response menu, reducing caller queues from 19 to five and redesigning the enterprise knowledge management system. This has streamlined the provision of client information and services.

In 2016–17, 65 per cent of all service centre calls were answered within 10 minutes, a 1 per cent improvement in the Department's service standard when compared with the previous year.

There were significant improvements in other key performance indicators. The average speed to answer calls was 14:25 minutes, which was 2:95 minutes faster than the previous year. The average call handling time was 6:36 minutes, a decrease of 26 seconds on the previous year.

Calls per open hour handled (CPOH) is an industry standard that measures the number of calls taken by an information officer per hour. The Department introduced CPOH into the Sydney Service Centre as a key performance indicator in April 2016. Since its introduction, CPOH has improved from 7.9 calls per hour in 2015–16 to 8.4 calls per hour in 2016–17.

Service standards

TIS National continued to demonstrate improved service standards. In 2016–17, 49.72 per cent of all TIS National calls were answered within 30 seconds, a 2.21 per cent increase from the previous financial year. In the same period, 85.24 per cent of all on-site bookings were assigned within three days of receipt, a 2.19 per cent increase on the previous financial year. These improvements can be attributed to continual enhancement to TIS National’s self-service on-site bookings platform, TIS Online.

In 2016–17, 50.16 per cent of all TIS National calls were assigned to an interpreter within three minutes. TIS National showed a slight increase providing accredited interpreters, with 93.6 per cent of all jobs performed by an interpreter accredited by the National Accreditation Authority for Translators and Interpreters (NAATI). This is attributable to TIS National’s targeted recruitment activities throughout the period.

The service standard for the Sydney Service Centre is to answer 85 per cent of

calls within 10 minutes. This is known as the ‘grade of service’ (GOS). The Centre’s GOS for the 2016–17 financial year was 65 per cent. This is an improvement from the 2015–16 financial year. Other 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 Centre’s performance has improved on most metrics.

Table 16: Sydney Service Centre performance						
FY	Calls offered	Calls accepted	CPOH	AHT	ASA	GOS
2015–16	1,818,758	1,248,911	7.9	07:02	17:20	64%
2016–17	1,814,696	1,233,666	8.4	06:36	14:25	65%

Service delivery partners

The Department has outsourcing arrangements with companies overseas to provide visa lodgement support services as service delivery partners (SDPs).

At 30 June 2017, the Department had four commercial partners operating Australian Visa Application Centres in 51 countries. They are:

- VFS Global Services Pvt. Limited
- TT Visa Services Limited
- Teleperformance Limited (TLScontact is the subsidiary that delivers the services)
- CSRA Limited.
- visa fee payment
- biometric enrolment
- data input
- courier services.

SDP staff do not make visa decisions. Applications are couriered to the Department for processing and decisions are made in accordance with Australian migration legislation and policy. SDPs operate on a user-pays basis, where the visa applicant pays for the cost of the service.

Purchaser-provider arrangements

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

The service level agreements (SLAs) remove the potential for duplicating 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.

In June 2012 the Department signed a three-year agreement with DFAT to provide services to DIBP staff at DFAT-managed posts. Following an extension to the original agreement, the agreement expired on 30 June 2017 and a new three-year agreement was signed with DFAT, commencing on 1 July 2017.

In August 2012 the Department signed an agreement with Austrade to provide services at Austrade-managed posts.

This agreement was also extended and subsequently expired on 30 June 2017. A new three-year agreement was signed with Austrade, commencing on 1 July 2017.

The Department pays DFAT and Austrade global service fees which are calculated on the cost of locally engaged staff salaries, the time staff spend delivering management services for the Department, and the number of departmental Australia-based or locally engaged staff at post. The Department's total 2016–17 SLA costs were \$7,706,294 (DFAT) and \$907,506 (Austrade).

Ethnic Liaison Officers and community engagement

The Department’s Ethnic Liaison Officers (ELOs) engage with communities around Australia to discuss departmental policies and programmes and to explore community sentiment and dynamics. Throughout 2016–17, ELOs were the trusted connection between

communities and the Department discussing migration, status resolution, border clearance procedures, citizenship, social cohesion and whole-of-government priorities such as countering violent extremism. Community engagement also occurred through

events such as Refugee Week 2016, information sessions for pilgrims travelling for Hajj, Australia’s response to the Syrian and Iraqi humanitarian crisis, and regional director morning teas.

HUMAN RESOURCES MANAGEMENT

Workforce profile

At 30 June 2017 the Department's workforce consisted of:

- 13,086 ongoing and 671 non-ongoing staff, located in every state and territory and in more than 50 international locations
- 83.1 per cent full-time, 13.7 per cent part-time and 3.3 per cent casual staff
- 53.5 per cent female staff and 46.5 per cent male staff
- workers with an average age of 41.9.

In addition, there were 1,110 locally engaged staff, employed by DFAT in international locations.

For 2016–17, the voluntary separation rate of ongoing staff was 6.52 per cent and the external recruitment rate was 7.25 per cent.

Table 17 shows the staffing headcount by actual classification. Figure 8 shows the Senior Executive Service (SES) headcount by gender. Figure 9 shows the staffing headcount by location.

Table 17: Staffing headcount by actual classification

Actual classification	30 June 2016			30 June 2017		
	Ongoing	Non-ongoing	Total	Ongoing	Non-ongoing	Total
Graduate/Trainee/Cadet	162	–	162	174	–	174
APS Level 1	16	–	16	22	–	22
APS Level 2	43	297	340	32	447	479
APS Level 3	2,607	219	2,826	2,573	122	2,695
APS Level 4	1,787	85	1,872	1,706	32	1,738
APS Level 5	2,792	42	2,834	2,748	15	2,763
APS Level 6	2,884	84	2,968	2,883	44	2,927
Executive Level 1	2,256	25	2,281	2,065	8	2,073
Executive Level 2	752	4	756	715	2	717
SES Band 1	137	1	138	127	–	127
SES Band 2	40	–	40	36	–	36
SES Band 3	8	–	8	5	1	6
Total	13,484	757	14,241	13,087	671	13,757

Note:

Figures are actual classification and figures include staff acting at different classifications on 30 June 2016 and 30 June 2017.

Figures include staff on leave.

Figures exclude the Secretary and ABF Commissioner, locally engaged staff and staff on secondment.

Figure 8: Senior Executive Service headcount by gender

30 JUNE 2016

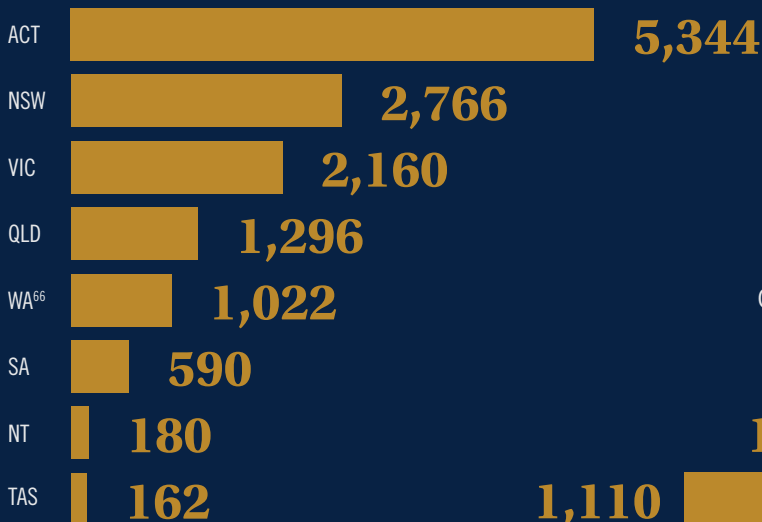


30 JUNE 2017


 male
 female

Figure 9: Staffing headcount by location 30 June 2017

AUSTRALIA



OVERSEAS



⁶⁶ Figures include staff located on Christmas Island.

⁶⁷ Figure includes 27 staff in Nauru and 25 in Manus, 23 staff are Airline Liaison Officers, eight staff in PNG as part of the whole-of-government Strongim Gavman Programme and two staff on short term missions located overseas.

⁶⁸ Locally engaged staff are employed by DFAT on behalf of DIBP.

Workforce planning

During 2016–17 the Department developed workforce plans focused on short-term objectives for each division and continued to develop group strategic plans that have a three-to four-year focus. Workforce planning helps business areas

to achieve their objectives by identifying specific initiatives to mitigate future workforce impacts and risks.

Workforce initiatives are implemented by business areas with support from the People Division. To support

initiatives the Department is implementing a people business partner model. People business partners provide high quality client-focused services by linking business objectives to people services and programmes.

People management and development

Increasing demands and changing external factors require the Department's workforce to be highly skilled, engaged and focused on protecting the border and managing the movement of people and goods across it. Continuing investment in workforce planning, learning and development, and in integrated human resource policies, are positioning the workforce to adapt to new operating models and technologies to meet changing demands.

Key initiatives in 2016–17 to build a high performing workforce included:

- completing the Executive Level (EL) Review and establishing talent management advisory committees that actively manage the development of the Department's EL employees
- delivering leadership development programmes
- ongoing review and modification of the five work specialisations – border operations, policy,

client services, intelligence and enabling/support

- to align workforce competencies and capabilities with changing workforce requirements
- standardising work health and safety practices across the Department
- designing and implementing a new operating model for human resource functions to better deliver the services that business areas need.

People Strategy 2020

The *People Strategy 2020* sets out the Department's approach to ensuring our workforce is professional, adaptable, capable and diverse. Key initiatives in the strategy focus on:

- Department-wide workforce planning capability
- performance evaluations to support accountability
- support for professional development
- the health and wellbeing of employees
- clear alignment of operational and workplace structures to support the delivery of services.

Talent management

The Department has an integrated career management framework that supports workforce performance and provides opportunities to enhance career growth and increase staff engagement. In conjunction with workforce planning and recruitment initiatives, the framework ensures the Department can attract and manage the leadership and other capabilities it requires.

During 2016–17 the Department invested heavily in the leadership capability

of its EL employees, in recognition of their critical role in leading teams to successfully deliver the Department's ongoing reform agenda. This has ensured that all EL roles are appropriately classified and that staff at these levels have the leadership capabilities to be effective in their roles now and in future. The EL Review has allowed EL staff to understand their strengths, potential and areas for development, and make better informed career decisions.

In 2016–17, the Department established talent management advisory committees at both group and divisional levels. With SES membership, these fora help to ensure that all EL staff have targeted opportunities to develop, fulfil their potential and demonstrate leadership. Continued focus on shaping the capability of the Department's EL staff is important to achieving the culture to which the Department aspires and to improving productivity and performance.

Training and development

The *Leadership Strategic Plan 2016–2020* was implemented during the reporting period. It articulates the Department’s leadership philosophy and desired characteristics, including individual and collective capabilities, culture, quantity and diversity.

Initiatives were taken to build the profile of future leaders. This reflected the

Department’s focus on developing leaders who can build high-performing teams in a challenging immigration and border protection policy and operating environment. The EL Review has enabled the Department to understand the capabilities and skills of the EL cohort. This information is being used to develop the overall leadership skills of EL officers.

Leadership programmes will continue, including:

- development programmes for the APS and EL cohorts
- coaching for leadership workshops
- EL conferences: ‘Lead. Empower. Achieve’
- Leadership in Action seminars.

During 2016–17, 1901 staff took part in leadership programmes.

SES development strategy

Through the Leadership Strategic Plan, the Department continues to develop the leadership skills required to achieve its mission and vision. The plan draws from, and is underpinned by the APS Values, APS work level standards, the APS Integrated Leadership System and the DIBP values and behaviours. It

recognises the importance of both individual and collective SES capabilities and accountabilities.

The Secretary and Commissioner’s Talent Management Advisory Committee provides advice and strategic direction to develop the SES cohort. In addition to internal professional development,

external development opportunities continue to be offered through secondments and organisations such as the Australian Public Service Commission, the Australian and New Zealand School of Government, the Australian Institute of Police Management and the National Security College.

Workforce diversity

The Department values and is committed to building the diversity of its workforce, reflecting the community which the Department serves – a workforce that fosters inclusiveness and embraces the diversity of its people, including differences in cultural background, race, ethnicity, disability, age, gender identity and sexual orientation.

The Department's Statement of Commitment recognises the contribution of all genders and the need to ensure equality of opportunities for leadership,

career development, flexible work and equal participation. Departmental diversity networks include the Staff Advancing Gender Equality (SAGE) Network, two LGBTI networks (one staff-led and an online forum), a Disability Support Network, an Indigenous Employees Network and a Reconciliation Ambassadors Network. These networks provide opportunities for staff to meet, share experiences and discuss development opportunities. They also help to shape departmental initiatives supporting diversity.

The Department's *Gender Equality Action Plan 2017–20*⁶⁹ focuses on four priority areas:

- driving a supportive and enabling culture
- ensuring gender equality in leadership
- embedding gender equality in employment practices
- promoting flexible work arrangements for all staff.

Each focus area has goals, actions and targets to drive change and measure our progress towards achieving gender equality outcomes over the term of the action plan.

Disability reporting mechanisms

In 2016–17, the Department developed and implemented the *Disability Action Plan 2016–20*⁷⁰, focused on developing and supporting an environment of trust and openness, and developing managers' confidence to improve the way in which we attract, retain and support staff and leaders

with a disability. As a result, the Department has raised its profile as a disability-friendly employer.

The Department collaborated with Hewlett Packard Enterprises in the Dandelion Program, which provides skilled employment opportunities to people on

the autism spectrum. These trainees started work in the Information Communication and Technology (ICT) Division to test software. The programme is proving to be beneficial to both participants and the Department. It highlights the value we place on our diverse workforce.

69 www.border.gov.au/about/careers-recruitment/working-with-us/gender-equality-action-plan-2017-20

70 www.border.gov.au/AccessandAccountability/Documents/Plans/dap-2016-20.pdf

Targeted diversity recruitment

The Department again participated in the Department of Human Services' Indigenous Apprenticeships Programme. This national entry-level programme provides Indigenous Australians with employment in the APS while they study for a	Certificate IV in Government qualification and undertake on-the-job training. The Department also recruited Indigenous staff under the affirmative action provisions. As well as general recruitment, affirmative measures were	applied throughout ABF recruitment programmes. The APS RecruitAbility scheme was applied to all recruitment exercises to attract and engage people with a disability to the Department.
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Significant days

The Department has diversity, disability and Indigenous champions as well as dedicated teams that manage and promote an annual programme of diversity and inclusion events, such as	NAIDOC Week, National Reconciliation Week, International Women's Day, Harmony Day, Wear It Purple Day, National Carers Week, White Ribbon Day and International Day of People with Disability.
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Employee entitlements

Enterprise Agreement

The Department's 2011–14 Enterprise Agreement (EA) nominally expired on 30 June 2014. Negotiations for a new EA were ongoing at the start of the 2016–17 financial year.

On 5 October 2016 the Fair Work Commission (FWC) found that Protected Industrial Action (PIA) was posing an unacceptable risk to the safety and security of the Australian community and terminated further PIA.

A proposed EA, developed before the FWC decision to terminate PIA, was put to a staff ballot between 31 October 2016 and 7 November 2016. The ballot was unsuccessful.

The terms and conditions for all non-SES staff will now be determined through arbitration before a Full Bench of the FWC. It will make a workplace determination

for the Department that will operate as an EA.

Until a workplace determination takes effect, the terms and conditions of employment contained in the *Department of Immigration and Citizenship Enterprise Agreement 2011–2014* and determinations made under section 24 of the *Public Service Act 1999* (PS Act) will continue to apply.

Salary ranges

Table 18 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 change whereby former Australian Customs and Border Protection Service (ACBPS) employees were on higher salaries before their transfer to the Department on 1 July 2015.

Individual flexibility arrangements (IFAs) may also have been used to attract and retain specialist skills sets where paying additional remuneration, over and above what is available under the EA salary range, is necessary. 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 Commissioner are not included. As statutory appointments, their remuneration arrangements are publicly available on the Remuneration Tribunal website⁷¹.

71 www.remtribunal.gov.au/offices/secretaries

Table 18: Salary ranges for staff at 30 June 2017	
Classification	Range of salaries
ICT Apprentices	\$42,419–\$43,825
Trainee (APS) (Technical)	\$42,856–\$42,865
APS Level 1	\$43,825–\$47,004
APS Level 2	\$47,424–\$53,353
APS Level 3	\$53,937–\$68,534
APS Level 4	\$60,452–\$72,022
APS Level 5	\$67,638–\$83,722
APS Level 6	\$74,321–\$118,000
Executive Level 1	\$92,801–\$140,760
Executive Level 2	\$109,959–\$258,506
SES Band 1	\$165,548–\$214,780
SES Band 2/SES Band 3	\$216,487–\$331,600

Senior Executive remuneration

Senior Executive Service (SES) remuneration is outlined in the SES remuneration and performance management policy, which provides

an efficient, transparent and effective way of administering SES remuneration and managing performance. Table 18 above shows the salary ranges of SES employees within the Department.

All SES employees are provided with a comprehensive individual determination under section 24(1) of the *Public Service Act 1999*, which outlines their terms and conditions of employment.

Individual flexibility arrangements and workplace agreements

Table 19: Number of departmental employees on subsection 24 (1) Determinations or IFAs at 30 June 2017

Classification	Employees on s. 24(1)	Employees on IFAs	Total
APS Level 3		3	3
APS Level 4		47	47
APS Level 5		72	72
APS Level 6		139	139
Executive Level 1		102	102
Executive Level 2	1	56	57
SES	133	–	133
Total	134	419	553

Determinations

On 25 June 2015 a determination under subsection 24(3) of the *Public Service Act 1999* was made by the Hon Christian Porter MP, Parliamentary Secretary to the Prime Minister, in relation to all non-SES seagoing staff in the Marine Unit who were to be moved to the Department on 1 July 2015. The determination preserved for these staff all terms and conditions of employment contained in the *ACBPS Enterprise Agreement 2011–2014*. At 30 June 2017, 538 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, Mr Michael Pezzullo, made DIBP Determination 2015/01 under subsection 24(1) of the *Public Service Act 1999* 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, for former ACBPS staff, to ensure operations during the transition to the integrated Department. As at 30 June 2017, 4292 non-SES staff were covered under this 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. At 30 June 2017, 125 non-SES staff were covered under this determination.

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

- 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 2017, this determination covered 20 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 2017, this determination covered 16 non-SES staff.

- DIBP Determination 2016/03 Revocation – Marine Unit Engineers Attraction and Retention Payment. This determination revoked DIBP Determination 2015/03. It took effect on 3 November 2016.
- DIBP Determination 2017/01 Marine Unit Engineers Attraction and Retention Payment – *Ocean Shield*. This determination provides an attraction and retention payment to engineers on ABFC *Ocean Shield*. At 30 June 2017, this determination covered 12 non-SES staff.

All of the above DIBP determinations are transitional arrangements that, unless revoked earlier, will apply until the new workplace determination for the integrated Department is in place.

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.

The 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 20: Performance pay outcomes 2016–17
(Australian Customs and Border Protection Service Enterprise Agreement 2011–2014)**

	ASP3	APS4	APS5	APS6	EL1	Total
Number of officers receiving bonus	122	2	55	22	17	218
Total amount paid (\$)	\$151,158	\$2,478	\$79,212	\$36,262	\$31,741	\$300,851
Average bonus amount (\$)	\$1,239	\$1,239	\$1,440	\$1,648	\$1,867	\$1,380
Minimum bonus paid (\$)	\$1,239	\$1,239	\$1,239	\$1,456	\$1,738	N/A
Maximum bonus paid (\$)	\$1,239	\$1,239	\$1,456	\$1,738	\$2,177	N/A

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 section 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 to former ACBPS EL 1 and EL 2 staff.

WORK HEALTH AND SAFETY

Initiatives and outcomes

The Department implements and maintains effective work health and safety (WHS) strategies and systems

that promote continuous WHS improvement and a positive safety culture.

Key health and safety initiatives introduced during 2016–17

<div>The Department reviewed and implemented the following key initiatives in work, health and safety and rehabilitation:</div> <ul style="list-style-type: none">• new <i>Work Health and Safety Governance Arrangements</i> that set out the governance framework to manage health and safety across the Department. They also provide guidance on roles and responsibilities, and the systems that are in place to manage health and safety matters• a <i>Due Diligence Framework</i> outlining the duties of departmental officers in managing their obligations under the <i>Work Health</i>	<div><i>and Safety Act 2011</i> (Cth)</div> <ul style="list-style-type: none">• an independent assessment to identify psychological risks for staff, review current strategies and recommend mitigating actions to reduce the risk of psychosocial injuries in the workplace. Implementing recommendations from this work will begin in September 2017• the launch of updated and improved intranet information about WHS and support services available to workers• implementation of systemic improvements as a result of the	<div>2016 rehabilitation management systems audit. They include injury management guidelines to standardise practices in early intervention, rehabilitation and return to work</div> <ul style="list-style-type: none">• joining other Australian Government agencies in a national shared services panel for workplace rehabilitation providers. The terms of the arrangement will enable improved measurement of provider performance (quality of service delivery, costs and rehabilitation outcomes) in line with legislative requirements.
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Outcomes of key health and safety initiatives

Initiatives undertaken during 2016–17 to increase WHS awareness and improve case management performance have contributed to lower numbers of workers’

compensation claims and a reduced workers’ compensation premium.

The Department’s workers’ compensation premium for

2017–18, at \$26.14 million, is the lowest it has been for five years, down 19.5 per cent when compared with its 2016–17 premium.

Table 21: WHS outcomes

Claims experience ⁷²	2014–2015	2015–2016	2016–2017
Claims filed	258	258	196
Claims accepted	208	205	140

⁷² Figures are based on the number of claims with injuries occurring in each year.

Mechanism of injury

The Department identifies actions, events and situations that can cause serious injury and disease. Mechanism-

of-injury descriptors are based on a national classification system. Table 22 shows injury claims

by mechanism of injury accepted by Comcare.

Table 22: Three-year summary of mechanism of injury for accepted claims			
Accepted claims ⁷³	2014–15	2015–16	2016–17
Falls, trips and slips	49	49	31
Hitting objects	5	17	5
Being hit by moving objects	18	19	16
Sound and pressure	2	1	0
Body stressing	91	82	43
Heat, electricity and other environmental	3	1	0
Chemicals and other substances	1	1	1
Biological factors	5	1	1
Mental stress	21	19	10
Hazard	0	0	0
Vehicle accidents and other	5	4	1
Other or unspecified	8	9	0
Total	208	203	108

⁷³ Figures include Australian-based staff overseas but exclude locally engaged staff. Figures may increase over time as workers' compensation claims continue to be lodged and accepted by Comcare for injuries or illnesses sustained in the given year. Figures analysed as at 24 May 2017 as the data for the Annual Report is extracted from Comcare Customer Information Systems database. Data is released through the system with a three-month lag.

Notifiable incidents

Table 23: Incidents notified to Comcare under sections 35, 36 and 37 of the *Work Health and Safety Act 2011*

Notifiable incident classification	2014–15	2015–16	2016–17
Death	6 ⁷⁴	7	1
Serious injury/illness	586	100	34
Dangerous incident	70	44	25
Total	662	151	60

Investigations

The Department liaises with Comcare on all regulatory and cooperative compliance matters. The Department and Comcare meet each month to work collaboratively on

WHS matters of interest to both organisations. Comcare conducted 51 investigations against the Department between 1 July 2016 and 30 June 2017.

The Department had three improvement notices issued under Part 10 of the *Work Health and Safety Act (Cth) 2011*.

Unscheduled absence management

The Department actively manages employee attendance to achieve an appropriate balance between supporting employees who are genuinely ill or required to care for a family member, and managing instances where leave patterns of individuals are not appropriate.

Most employees are not high users of unscheduled

leave. Over the past 12 months, about half of the Department's workforce took fewer than 10 days of unscheduled absence and almost a third took fewer than five days.

The Department provided all employees with access to programmes designed to improve general health and wellbeing. In addition, managers were provided

with new tools to review unscheduled absences taken by employees in their team and to identify and manage patterns of leave requiring intervention. Employees with serious illnesses received combined support from their local managers and professional support from the People Division to help them to recover and return to work.

⁷⁴ This figure includes two Nauruan nationals.

PROCUREMENT, SERVICES, ASSETS AND GRANTS

Purchasing and procurement

The Department based its purchasing and procurement policies on the PGPA Act and the Commonwealth Procurement Rules (CPRs).

Corporate Group provided specialist advice and assistance to all departmental areas engaged in procurement and contract management through:

- 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
- centralised advice to high value/high risk procurements
- coordinating external procurement 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 include provisions allowing the ANAO to access a contractor's premises.

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*.

Supporting small and medium enterprises

The Department supports small business participation in the Australian Government procurement market. Small and medium enterprises (SME) and small enterprise participation statistics are available on the Department of Finance's website.⁷⁵

⁷⁵ www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/

The Department recognises the importance of ensuring that small businesses are paid on time. The Department's practice complies with the supplier pay-on-time or pay interest policy that is available on the Department of Finance website.⁷⁶

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 2016–17 that demonstrated this commitment were:

- the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000;
- Australian industry participation plans in whole-of-government procurement where applicable

- coordination of the Indigenous Procurement Policy
- the 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 expenditure

The Department's policy for selecting and engaging consultants was based on the core principle of value for money and conducted in accordance with the CPRs.

In 2016–17, the Department entered into 115 new consultancy contracts as reflected on AusTender. Total actual expenditure against these contracts was \$23.84 million (inclusive of GST). In addition, 53 ongoing consultancy contracts which were previously reported on AusTender remained active during 2016–17 and incurred total actual expenditure of \$9.11 million (inclusive of GST) during the year.

Information on the value of contracts and consultancies is available on the AusTender website.⁷⁷

⁷⁶ www.finance.gov.au/resource-management/spending/pay-on-time-policy

⁷⁷ www.tenders.gov.au

Advertising and market research expenditure

During 2016–17, the Department conducted the following advertising campaign:

- Anti-People Smuggling Communication Campaign

The advertising and market research expenditure

is outlined in Table 24. Further information on the advertising campaign is available at www.border.gov.au. Chief Executive Certification for Government advertising campaigns and in reports on *Campaign advertising by Australian*

Government Departments and Agencies prepared annually by the Department of Finance. Those reports are available at www.finance.gov.au/advertising/index.html.

Table 24: Advertising and market research expenditure		
Media advertising and market research	Total amount paid against contract (GST exclusive)	Total amount paid against contract (GST inclusive)
Market research organisations		
Whereto Research Based Consulting	\$91,886	\$101,074
Essence Communications Trust	\$279,273	\$307,200
McNair Ingenuity Research Pty Ltd	\$152,328	\$167,561
Total^a	\$523,486	\$575,835
Media advertising organisations		
Dentsu Mitchell Media Australia Pty Ltd	\$2,221,916	\$2,194,046
Total^a	\$2,221,916	\$2,194,046
Advertising agencies⁷⁸		
STATT Consulting Limited	\$5,830,674	\$5,830,674
Ensemble	\$70,725	\$77,798
Expert Opinion Communications	\$53,144	\$53,144
Lapis Middle East and Africa Fz-Llc	\$399,367	\$399,367
Purplewood	\$94,757	\$94,757
Tal Group Thompson Associates	\$1,409,243	\$1,409,243
The International Organisation for Migration Vietnam	\$330,330	\$330,330
Total^a	\$8,188,240	\$8,195,313

a. The figures reported are rounded up to the nearest dollar.
78 The vendors listed under the advertising agencies category are not subject to GST, with the exception of Ensemble.

Legal services expenditure

Table 25 outlines the legal services expenditure by the Department for 2016–17, in compliance with paragraph 11.1(ba) of the *Legal Services Directions 2017*.

Table 25: Legal services expenditure	
Description	2016–17 cost (excluding GST)
Total legal services expenditure	\$79,128,991
Total external legal services expenditure	\$46,913,671
External expenditure on solicitors ⁷⁹	\$40,180,665
External expenditure on counsel ⁸⁰	\$4,971,508
Number of matters in which male counsel briefed—792	
Estimated value of briefs to male counsel	\$3,985,371
Number of matters in which female counsel briefed—182	
Estimated value of briefs to female counsel	\$ 986,137
Disbursements on external legal services	\$1,761,497
Total internal legal services expenditure	\$32,215,320
Employees	\$27,606,852
Overheads (for example, office stores and stationery, training and travel, property and information technology related costs) ⁸¹	\$4,608,468

79 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.

80 Statistics on counsel briefs relate to finalised litigation matters only.

81 Overheads—indirect property and IT costs are included. This amount is reported in accordance with *Office of Legal Services Coordination Guidance Note 8*.

Assets management

The Department managed \$2.8 billion of non-financial assets in 2016–17.

The Department's main asset classes are land and buildings, leasehold improvements, vessels, plant and equipment and intangible assets (software) which include:

- \$1.45 billion in administered property, plant and equipment assets held to support the care and management of detainees, including IMAs in immigration detention
- \$1.27 billion in departmental assets, including \$0.51 billion in computer software supporting the Department's operations and \$0.37 billion in vessels that support the ABF, but excludes 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, which is regularly monitored to ensure that planned expenditure reflects the Department's business requirements
- monitoring existing assets – by 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 – an annual fair-value assessment of assets, both capitalised and assets under construction, was undertaken by an external provider to ensure asset balances reported are reasonable
- maintenance – property, plant and equipment assets, including those leased under contract from various service providers, are maintained through specific maintenance programmes.

Additional information on the value, acquisition and disposal of assets is available in the 2016–17 financial statements in Part 3 of this Annual Report.

Grants programmes

Information on grants awarded by the Department during the period 1 July 2016 to 30 June 2017 is available on the Department's website.⁸² All grants awarded were consistent with the Commonwealth Grant Rules and Guidelines, which is available on the Department of Finance's website.⁸³

82 www.border.gov.au/about/reports-publications/reports/corporate/grants

83 www.finance.gov.au/resource-management/grants/

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

Improvement and sustainability initiatives

National environmental policy

Under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (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 previous departmental Secretary 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.

Environmental management systems

The Department employed an environmental management system (EMS) to help meet its environmental policy objectives. The EMS was 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 development of the EMS was based on international standard AS/NZS ISO 14001.

Green initiatives

The Department undertook several environmental initiatives in 2016–17, including:

- promoting and participating in Earth Hour
-

- continued participation in mobile phone recycling in its National Office in Belconnen, ACT
- recycling used printer cartridges for multi-function devices
- building management committee meetings (green lease schedule [GLS] sites only) to allow for effective management of energy consumption
- a review of server room temperature set points at GLS sites to minimise energy consumption
- lighting assessment for new lease term at 299 Adelaide St, Brisbane
- review and adjustment of light control sensor times as issues were identified for some GLS sites
- beginning staff awareness sessions across a number of sites about the use of personal electronic devices to reduce energy consumption
- investigating opportunities to invest in solar power for long-term lease sites
- increasing the ratio of fuel-efficient vehicles in the Department and making four-cylinder vehicles the default choice for leased fleet vehicles wherever practicable
- setting a benchmark for the selection of fleet vehicles, in consideration of the Australian Government's Green Vehicle Guide.

Green lease schedule management

The Department supported and complied with the green lease schedules, which are key Government policy requirements. In the reporting period, Jones Lang LaSalle (JLL) managed the 13 GLS departmental sites. Of these, seven met the target energy rating, two were a half-star below

target and the remaining sites had ratings in progress.

NABERS

The National Australian Built Environment Rating System (NABERS) measures a building's environmental performance during operation, in particular the rating of its measured operational impact on such factors 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. These environmental indicators and the associated measurement techniques have been subject to extensive research and deliberation, drawing on international and local expertise. More information can be found at the NABERS website.⁸⁴

Information and communication technology sustainability initiatives

The Department continued to transform its existing ICT infrastructure by introducing new energy-efficient blade server infrastructure at most major locations, and consolidating former ACBPS and DIBP infrastructure at a number of airport locations.

Overall, the energy consumption in the Canberra Data Centres (CDC) sites in Hume and Fyshwick has increased. This was due to ICT equipment growth as infrastructure continued to be relocated from Department-owned data centres.

Despite this increase, in 2016–17 the Department continued to improve on the whole-of-government July 2015 target for power usage effectiveness (PUE), which is 1.7. The actual PUE for the ACT sites were:

- Hume centre – PUE = 1.49
- Fyshwick centre – PUE = 1.38

Both ACT facilities used the latest energy-efficient technologies, with the Fyshwick facility using free cooling by circulating cold Canberra air to supplement the data centre cooling systems.

For the first time, energy use at the Department-owned data centre in Belconnen decreased to less than 50 per cent of the total building tenancy energy usage. The ICT energy load has fallen to 37 per cent of available capacity due to the Department's ongoing data centre decommissioning activities, server virtualisation and infrastructure relocation to the CDC facilities. The Department expects energy cost savings to continue.

In December 2016 the Department's critical mainframe systems were transitioned from the CSC (Computer Sciences Corporation) managed data centres in Clayton (Victoria) and Pyrmont (NSW) to the IBM data

centres in Baulkham Hills (NSW) and Ultimo (NSW). This has resulted in lower overall energy consumption by mainframe-related equipment operated on behalf of the Department.

The Department continued to meet whole-of-government requirements for an after-hours shut-down of desktops, with energy use equivalent to being powered off. In the last quarter of the reporting period, the Department began the rollout of new desktop PCs to coincide with the enterprise-wide upgrade to the Windows 10 operating environment. These new PCs consume around one third less energy, per desktop, than the previous standard desktop, delivering a 31 per cent energy efficient dividend. The rollout of the new desktop PCs will continue in 2017–18. The ongoing reduction in end-user IT energy usage and related heat generation in office tenancies can be expected to reduce the load on building cooling systems and tenancy energy use.

Energy performance

The Energy Efficiency in Government Operations (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 person per annum for tenant light and power by June 2012.

Due to the merger of ACBPS and DIBP in July 2015, this is the second year reporting on consolidated energy performance. However, comparative performance is available for the individual agencies in previous years.

Tenant light and power at 7,500 MJ pp/pa ⁸⁵ by June 2012 – DIBP	6,322	5,829	5,155	4,325	8,958 ⁸⁶	7,896
ACBPS	11,532	12,864	12,075	13,069	n/a	n/a

Heritage strategy

The Department continued to manage its obligations under the *Environmental Protection and Biodiversity Conservation Act 1999* 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. A qualified heritage specialist was engaged to complete the development of the precinct.

85 MJ pp/pa means 'megajoules per average staff level per annum'.

86 Figure represents consolidated Department.

Appendices

PART 6

APPENDIX A:	254
Years at a Glance	
APPENDIX B:	258
Correction of material errors	
APPENDIX C:	264
Report on financial performance	
APPENDIX D:	272
Salary and classification rates	
APPENDIX E:	276
Administration of the Office of the Migration Agents Registration Authority	
APPENDIX F:	279
Information Publication Scheme	

PART 6: Appendices

APPENDIX A: YEARS AT A GLANCE

Table 27: Years at a Glance			
	2014–15	2015–16	2016–17
Migration			
Permanent Migration Programme and Child outcome	189,097	189,770	183,608
Skill stream places	127,774	128,550	123,567
Family stream places	61,085	57,400	56,220
Special Eligibility stream places	238	308	421
Child places delivered outside the managed Migration Programme	–	3,512	3,400
Temporary visas granted	7.1 million	7.7 million	8.4 million
Visitor visas granted	4.3 million	4.8 million	5.3 million
Number of eVisas granted ⁸⁸	3.1 million	3.4 million	4.1 million
Student visas granted	299,540	310,845	343,035
Working holiday maker visas granted	226,812	214,583	211,011
Special Category (subclass 444) visas granted	1.8 million	1.9 million	1.9 million
Maritime Crew and Transit visas granted	320,521	345,873	352,394
Temporary Work (Skilled) (subclass 457) visas granted ⁸⁹	96,084	85,611	87,580
Temporary residents (other) visas granted ⁹⁰	119,817	130,807	145,100

88 Number of eVisas granted is a subset of visitor visas granted.
89 This metric is inclusive of independent executives.
90 Includes temporary graduates, economic (excluding subclass 457) and non-economic.

Table 27: Years at a Glance

	2014–15	2015–16	2016–17
Refugee and humanitarian entry			
Humanitarian Programme visas granted (2016–17 includes 8208 places from the 12,000 additional places for displaced Syrian and Iraqi refugees)	13,731	17,540	21,968
Number of Illegal Maritime Arrival legacy caseload applications finally determined (grants and refusals)	757	2,165	8,000
Citizenship			
Number of people conferred with Australian citizenship	136,572	133,126	137,750
Number of people whose applications for Australian citizenship by conferral, descent and resumption were approved	167,624	148,502	146,405
Border management			
International air and sea travellers processed (including crew)	36.8 million	40.7 million	43.7 million
Ship arrivals and departures from Australian ports	35,732	35,912	36,654
Immigration clearances refused at airports and seaports	3,721	3,258	3,966
SmartGate clearances	6.8 million	15.0 million	24.2 million
Sea cargo consignments inspected	101,273	96,637	84,674
Air cargo consignments inspected	2.0 million	2.0 million	2.0 million
International mail items inspected	55.5 million	57.3 million	58.5 million
Number of illicit drug detections at the border	32,880	37,961	43,973
Combined weight of major illicit drug detections at the border	7,309kg	5,076kg	7,085kg

Table 27: Years at a Glance

	2014–15	2015–16	2016–17
Total weight of illicit tobacco ⁹¹	182.35 tonnes	146.78 tonnes	381.49 tonnes
Number of illegal firearm detections at the border ⁹²	1,775	1,751	1,709
Detector dog supported detections (passenger and cargo)	1,594	1,355	1,974
Border protection			
People smuggling ventures that reached Australia	1	0	0
Conducted patrols at seaports, wharves and waterfront environments and surrounding areas, including remote and coastal regions	7,798	4,727	3,614
Marine unit patrol days ⁹³	1,691	1,952	1,987
Compliance			
Percentage of temporary entrants who maintained their lawful immigration status while in Australia	99	99	99
Location events of unlawful non-citizens ⁹⁴	17,021	15,177	15,885
Location events of illegal workers ⁹⁵	2,714	1,970	2,268
Illegal Worker Warning Notices (IWWNs) issued to employers of illegal workers ⁹⁶	666	424	396
Removals and assisted departures of non-citizens onshore and transferees from regional processing centres ⁹⁷	11,705 ⁹⁵	14,708	14,660
Total number of visa cancellations ⁹⁸	57,863	62,071	57,161
Total number of non-humanitarian visa refusals	188,163	214,889	240,046

91 Figures for 2014–15 relate to sea cargo only, 2015–16 relate to cargo (air and sea) and international mail and 2016–17 relate to cargo (air and sea), international mail and passenger streams.

92 Firearm statistics are referred to in terms of 'undeclared detections' rather than seizures. An imported firearm is considered an 'undeclared detection' when it has been detected and identified by the Department as a prohibited or restricted firearm and where it has not been declared to the Department in accordance with the import requirements.

93 Figure excludes ABFCs *Ocean Shield* and *Thaiyak*.

94 Some non-citizens may have been located more than once in any given programme year. Each location event is counted.

95 Historical figures for previous financial years were refreshed and updated on 6 July 2017. As a result, due to retrospective data entries, systems corrections and improvements to methodologies data, figures may differ from those previously reported.

96 The figures include returns and removals of non-citizens from the Australian mainland and regional processing centres, including IMAs, IMA crew, IFFs and border turnarounds.

97 This figure accounts for total onshore compliance departures and excludes IMAs, IMA crew, IMA BVE, IFFs and other authorised arrivals

98 The figures include all onshore/offshore visa cancellations. A visa may be recorded as cancelled more than once. This can occur when a visa is cancelled, and the cancellation is subsequently revoked or set aside (this may occur for a number of reasons, including further legal proceedings, and administrative or jurisdictional errors), and then the visa is cancelled again. Duplication may also occur.

Table 27: Years at a Glance

	2014–15	2015–16	2016–17
Detention			
Illegal foreign fishers taken into immigration detention	25	192	192
People in Australian immigration detention (mainland) at 30 June ⁹⁹	3,202	2,200	1,815
Trade, customs and revenue			
Import and export entries	5.0 million	5.1 million	5.2 million
Revenue collected from visa application charges, customs duty, import processing charges and passenger movement charges	13.9 billion	17.2 billion	17.7 billion
Client contact			
Telephone calls to service centres (general enquiries and citizenship information lines)	1.1 million	1.2 million	1.2 million
Telephone interpreting services	1.3 million	1.1 million	1.1 million
Telephone calls to TIS National's contact centre	1.4 million	1.2 million	1.2 million
Staff			
Total staff at 30 June 2017	9,559 ¹⁰⁰ 5,181 ¹⁰¹	14,241	13,758 ¹⁰²

99 Figure includes people in immigration detention under residence determinations.

100 Department of Immigration *Annual Report 2014–15*.

101 *Australian Customs and Border Protection Services Annual Report 2014–15*.

102 Figure excludes Secretary, ABF Commissioner and staff on secondment. Figures inclusive of staff on leave, employees engaged locally and staff based both in Australia and overseas.

APPENDIX B: CORRECTION OF MATERIAL ERRORS

Correction of errors in the *Department of Immigration and Border Protection Annual Report 2015–16*.

Page 64

The number of temporary entrant visa applications that were decided within service standards was incorrectly reported at 88.8 per cent. The correct figure is 88.7 per cent.

Page 72

The number of refugee and humanitarian places was incorrectly reported as 13,764 (published in table 6 on page 72). The correct figure is 13,765.

Page 94

Under Part 4, Report on financial performance, non-cash items were excluded from reported budget figures and, as a result, it was not

possible to make an accurate comparison of budget versus actual by outcome. The correct budgeted amounts (including non-cash items) in Table 10, page 94 are as follows:

Budgeted administered expenses:

- Outcome 1—replace \$2,307,255 with \$2,448,595
- Outcome 3—replace \$0 with \$13,500
- For total budgeted administered expenses, replace \$2,396,702 with \$2,551,542

Budgeted departmental expenses:

- Outcome 1—replace \$1,753,455 with \$1,903,495
- Outcome 2—replace \$773,119 with \$833,985
- Outcome 3—replace \$112,342 with \$130,820

- For total departmental expenses, replace \$2,638,916 with \$2,868,300
- For total budgeted departmental and administered expenses, replace \$5,035,618 with \$5,419,842.

Pages 98–103

The Outcome financial resources summary for 2015–16, tables 12–14 from page 98, have also been restated to ensure that the comparison of budget versus actual by outcome and programme is more clearly stated. The tables have been restated to ensure that the budget versus actual split between administered and departmental expenses and cash, non-cash items is aligned. The revised tables are below:

Table 28: Correction of material errors for Annual Report 2015–16: Outcome 1 financial resources summary for 2015–16 (Table 12 Page 98 Annual Report 2015–16)

Outcome 1: Protect Australia's sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.	Budget 2015–16^a \$'000	Actual expense 2015–16 \$'000	Variations 2015–16 \$'000
Programme 1.1: Border Enforcement			
Departmental expenses: Departmental appropriation ^b	917,057	970,625	53,568
Expenses not requiring appropriation in the Budget year ^c	94,561	123,425	28,864
Total expenses for Programme 1.1	1,011,618	1,094,050	82,432
Programme 1.2: Border Management			
Administered expenses: Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	23,094	–	-23,094
Departmental expenses: Departmental appropriation ^b	225,185	235,007	9,822
Expenses not requiring appropriation in the Budget year ^c	27,332	29,102	1,770
Total expenses for Programme 1.2	275,611	264,109	-11,502
Programme 1.3: Compliance and Detention			
Administered expenses: Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	219,069	251,977	32,908
Expenses not requiring appropriation in the Budget year ^c	23,948	19,818	-4,130
Departmental expenses: Departmental appropriation ^b	216,706	225,597	8,891
Expenses not requiring appropriation in the Budget year ^c	11,451	21,407	9,956
Total expenses for Programme 1.3	471,174	518,799	47,625
Programme 1.4: IMA Onshore Management			
Administered expenses: Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	1,026,174	792,697	-233,477
Expenses not requiring appropriation in the Budget year ^c	46,701	48,719	2,018
Departmental expenses: Departmental appropriation ^b	335,902	234,379	-101,523
Expenses not requiring appropriation in the Budget year ^c	15,863	19,056	3,193
Total expenses for Programme 1.4 (2015–16 structure)	1,424,640	1,094,851	-329,789

Table 28: Correction of material errors for Annual Report 2015–16: Outcome 1 financial resources summary for 2015–16 (Table 12 Page 98 Annual Report 2015–16)

Programme 1.5: IMA Offshore Management			
Administered expenses: Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	965,420	950,774	-14,646
Expenses not requiring appropriation in the Budget year ^c	70,691	72,154	1,463
Departmental expenses: Departmental appropriation ^b	44,757	101,102	56,345
Expenses not requiring appropriation in the Budget year ^c	76	5,481	5,405
Total expenses for Programme 1.5	1,080,944	1,129,511	48,567
Programme 1.6: Regional Cooperation			
Administered expenses: Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	73,498	78,627	5,129
Expenses not requiring appropriation in the Budget year ^c	–	347	347
Departmental expenses: Departmental appropriation ^b	13,848	23,893	10,045
Expenses not requiring appropriation in the Budget year ^c	757	1,218	461
Total expenses for Programme 1.6	88,103	104,085	15,982
Total expenses for Outcome 1	4,352,090	4,205,405	-146,685
Average staffing level (number)	8,244	8,429	185

a. Budget relates to the revised Budget estimates reported in 2015–16 PAES.

b. Departmental appropriation combines 'Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)'.

c. Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense and cost recovery expense.

Table 29: Correction of material errors for Annual Report 2015–16: Outcome 2 financial resources summary for 2015–16 (Table 13 Page 100 Annual Report 2015–16)

Outcome 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa and citizenship programmes and provision of refugee and humanitarian assistance.	Budget 2015–16^a \$'000	Actual expense 2015–16 \$'000	Variations 2015–16 \$'000
Programme 2.1: Citizenship			
Departmental expenses: Departmental appropriation ^b	61,388	75,765	14,377
Expenses not requiring appropriation in the Budget year ^c	4,975	8,604	3,629
Total expenses for Programme 2.1	66,363	84,369	18,006
Programme 2.2: Migration			
Departmental expenses: Departmental appropriation ^b	257,903	252,607	-5,296
Expenses not requiring appropriation in the Budget year ^c	21,336	39,413	18,077
Total expenses for Programme 2.2	279,239	292,020	12,781
Programme 2.3: Visa			
Administered expenses: Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	–	25	25
Expenses not requiring appropriation in the Budget year ^c	–	12,688	12,688
Departmental expenses: Departmental appropriation ^b	358,530	347,745	-10,785
Expenses not requiring appropriation in the Budget year ^c	31,396	55,239	23,843
Total expenses for Programme 2.3	389,926	415,697	25,771
Programme 2.4: Refugee and Humanitarian Assistance			
Administered expenses: Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	89,447	64,356	-25,091
Expenses not requiring appropriation in the Budget year ^c	–	1,162	1,162
Departmental expenses: Departmental appropriation ^b	95,298	86,749	-8,549
Expenses not requiring appropriation in the Budget year ^c	3,159	12,700	9,541
Total expenses for Programme 2.4	187,904	164,967	22,937
Total expenses for Outcome 2	923,432	957,053	-33,621
Average staffing level (number)	5,045	4,857	-188

a. Budget relates to the revised Budget estimates reported in 2015–16 PAES.

b. Departmental appropriation combines 'Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)'.

c. Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense and cost recovery expense.

Table 30: Correction of material errors for Annual Report 2015–16: Outcome 3 financial resources summary for 2015–16 (Table 14 Page 102 Annual Report 2015–16)

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 2015–16^a \$'000	Actual expense 2015–16 \$'000	Variations 2015–16 \$'000
Programme 3.1: Border Revenue Collection			
Administered expenses: Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	–	123	123
Expenses not requiring appropriation in the Budget year ^c	13,500	13,565	65
Departmental expenses: Departmental appropriation ^b	67,954	72,230	4,276
Expenses not requiring appropriation in the Budget year ^c	9,728	11,052	1,324
Total expenses for Programme 3.1	91,182	96,970	5,788
Programme 3.2: Trade Facilitation and Industry Engagement			
Departmental expenses: Departmental appropriation ^b	44,388	31,527	-12,781
Expenses not requiring appropriation in the Budget year ^c	8,750	2,225	-6,525
Total expenses for Programme 3.2	53,138	33,752	-19,386
Total expenses for Outcome 3	144,320	130,722	-13,598
Average staffing level (number)	461	547	86

a. Budget relates to the revised Budget estimates reported in 2015–16 PAES.

b. Departmental appropriation combines 'Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)'.

c. Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense and cost recovery expense.

Page 156

The organisations reported under ‘media advertising organisations’ also included the creative advertising agencies. The organisations below are listed under the correct categories. There are no changes to the reported figures, nor to the organisations listed under ‘market research organisation’ category.

Media advertising organisations:

- Mitchell Adcorp Alliance

Advertising agencies:

- Put It Out There Pictures
- Ensemble
- LOTE Marketing
- STATT Consulting Ltd
- International Organization for Migration Bangladesh
- International Organization for Migration Vietnam
- International Organization for Migration Indonesia
- Thompson Associates (PVT) Ltd / TAL Group / Total Media Direction (PVT) Ltd
- Expert Opinion Pakistan
- Organisation for Eelam Refugee Rehabilitation (OfERR) India
- India ADRA
- Lapis
- Zanalala

Page 292

The number of registered migration agents cautioned was incorrectly reported as six (published in Appendix 6: Overview of OMARA, Compliant procession, Sanction outcomes). The correct figure is seven.

The number of registered migration agents that were barred from registering again as a migration agent for periods of one to five years was incorrectly reported as five. The correct figure is six.

APPENDIX C: REPORT ON FINANCIAL PERFORMANCE

Financial resource statement 2016–17

	Actual available appropriation for 2016–17 \$'000	Payments made 2016–17 \$'000	Balance remaining 2016–17 \$'000
Ordinary annual services			
Appropriation receivable	377,725	324,779	52,946
Departmental appropriation ^a	2,532,987	2,307,591	225,396
Section 74 of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) – relevant agency receipts	155,054	155,054	-
Total	3,065,766	2,787,424	278,342
Administered expenses			
Outcome 1	2,218,142	1,883,458	
Outcome 2	51,550	49,334	
Outcome 3	-	-	
Total^b	2,269,692	1,932,792	
Total ordinary annual services	A	4,720,216	
Other services			
Administered expenses specific payments to states, ACT, NT and local Government	-	-	-
Total	-	-	-
New Administered expenses	-	-	-
Total	-	-	-
Departmental non-operating			
Equity injections ^c	342,650	144,214	198,436
Total	342,650	144,214	198,436
Administered non-operating			
Administered assets and liabilities	124,374	70,373	54,001
Payments to Commonwealth Companies (PGPA Act) bodies–non-operating	-	-	-
Total	124,374	70,373	54,001
Total other services	B	214,587	252,437

	Actual available appropriation for 2016–17 \$'000	Payments made 2016–17 \$'000	Balance remaining 2016–17 \$'000
Total available annual appropriations and payments	5,802,482	4,934,803	
Special appropriations			
Special appropriations limited by criteria/entitlement			
Migration Act s. 332B		-	
Special appropriation <i>Public Governance, Performance and Accountability Act 2013</i> —section 77		460,435	
<i>Taxation Administration Act 1953</i> – s.16		202,287	
Special appropriations limited			
By amount		-	
Total special appropriations	C	662,722	
Special accounts^d			
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)	5,802,482	5,597,525	
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	5,802,482	5,597,525	

The Department operates on an activity-based funding model and revenue adjustments are recorded in the financial statements in the financial year in which the activity occurs. However, the corresponding appropriation adjustment occurs in the following financial year. Therefore, the appropriations in this table are as originally passed by the Australian Parliament.

a. Supply Bill (No.1) 2016–2017 Appropriation Bill (No.3) 2016–2017 and Appropriation Bill (No.3) 2016–2017. Includes an amount of \$120.5 million for the departmental capital budget.

For accounting purposes, this amount has been designated as 'contributions by owners'.

b. Administered payments include all cash payments in 2016–17 for Administered expenses. Includes an amount of \$24.2 million for the administered capital budget.

For accounting purposes, this amount has been designated as 'Transfers from the Australian Government for administered assets and liabilities'.

c. Actual available appropriation for 2016–17 includes \$145.5 million attributed to prior years.

d. The Department had a zero balance brought forward in relation to the Australian Population Multicultural and Immigration Research Program (APMIRP) special account. The APMIRP special account ceased during the reporting period with the sunset clause taking effect on 1 October 2016.

Expenses for Outcome 1 2016–17

Outcome 1: Protect Australia's sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.	Budget 2016–17 ^a \$'000	Actual Expenses 2016–17 \$'000	Variations 2016–17 \$'000
Program 1.1: Border Enforcement			
Departmental expenses:			
Departmental appropriation ^b	932,245	989,480	57,235
Expenses not requiring appropriation in the Budget year ^c	130,149	125,229	(4,920)
Departmental total	1,062,394	1,114,709	52,315
Total expenses for Program 1.1	1,062,394	1,114,709	52,315
Program 1.2: Border Management			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1, 3, Supply Act No.1)	8	-	(8)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	8	-	(8)
Departmental expenses:			
Departmental appropriation ^b	209,988	190,889	(19,099)
Expenses not requiring appropriation in the Budget year ^c	26,897	28,458	1,561
Departmental total	236,885	219,347	(17,538)
Total expenses for Program 1.2	236,893	219,347	(17,546)
Program 1.3: Onshore Compliance and Detention			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1, 3, Supply Act No.1)	1,138,280	902,777	(235,503)
Expenses not requiring appropriation in the Budget year ^c	63,785	56,806	(6,979)
Administered total	1,202,065	959,583	(242,482)
Departmental expenses:			
Departmental appropriation ^b	457,357	383,289	(74,068)
Expenses not requiring appropriation in the Budget year ^c	27,014	41,863	14,849
Departmental total	484,371	425,152	(59,219)
Total expenses for Program 1.3	1,686,436	1,384,735	(301,701)
Program 1.4: IMA Offshore Management			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1, 3, Supply Act No.1)	973,234	907,642	(65,592)

	Budget 2016–17 ^a \$'000	Actual Expenses 2016–17 \$'000	Variations 2016–17 \$'000
Expenses not requiring appropriation in the Budget year ^c	71,230	85,642	14,412
Administered total	1,044,464	993,284	(51,180)
Departmental expenses:			
Departmental appropriation ^b	69,908	84,625	14,717
Expenses not requiring appropriation in the Budget year ^c	4,109	6,048	1,939
Departmental total	74,017	90,673	16,656
Total expenses for Program 1.4	1,118,481	1,083,957	(34,524)
Program 1.5: Regional Cooperation			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1, 3, Supply Act No.1)	87,761	85,359	(2,402)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	87,761	85,359	(2,402)
Departmental expenses:			
Departmental appropriation ^b	18,653	35,116	16,463
Expenses not requiring appropriation in the Budget year ^c	988	1,772	784
Departmental total	19,641	36,888	17,247
Total expenses for Program 1.5	107,402	122,247	14,845
Outcome 1 Totals by appropriation type			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1, 3, Supply Act No.1)	2,199,283	1,895,778	(303,505)
Expenses not requiring appropriation in the Budget year ^c	135,015	142,448	7,433
Administered total	2,334,298	2,038,226	(296,072)
Departmental expenses:			
Departmental appropriation ^b	1,688,151	1,683,399	(4,752)
Expenses not requiring appropriation in the Budget year ^c	189,157	203,370	14,213
Departmental total	1,877,308	1,886,769	9,461
Total expenses for Outcome 1	4,211,606	3,924,995	(286,611)
Average staffing level (number)	8,350	8,433	83

a. Budget relates to the revised budget estimates reported in the PAES 2016–17.

b. Departmental appropriation combines ordinary annual services (Appropriation Act Nos. 1, 3 and Supply Act No.1) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

c. Expenses not requiring appropriation in the Budget year include depreciation and amortisation, write down and impairment of assets.

Expenses for Outcome 2 2016–17

268

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.			
	Budget 2016–17 ^a \$'000	Actual Expenses 2016–17 \$'000	Variations 2016–17 \$'000
<u>Program 2.1: Citizenship</u>			
Departmental expenses:			
Departmental appropriation ^b	57,901	82,599	24,698
Expenses not requiring appropriation in the Budget year ^c	7,264	9,255	1,991
Departmental total	65,165	91,854	26,689
Total expenses for Program 2.1	65,165	91,854	26,689
<u>Program 2.2: Migration</u>			
Departmental expenses:			
Departmental appropriation ^b	273,552	261,762	(11,790)
Expenses not requiring appropriation in the Budget year ^c	21,619	26,598	4,979
Departmental total	295,171	288,360	(6,811)
Total expenses for Program 2.2	295,171	288,360	(6,811)
<u>Program 2.3: Visas</u>			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1, 3, Supply Act No.1)	-	1,122	1,122
Expenses not requiring appropriation in the Budget year ^c	-	10,611	10,611
Administered total	-	11,733	11,733
Departmental expenses:			
Departmental appropriation ^b	328,895	347,098	18,203
Expenses not requiring appropriation in the Budget year ^c	43,310	40,558	(2,752)
Departmental total	372,205	387,656	15,451
Total expenses for Program 2.3	372,205	399,389	27,184

	Budget 2016–17 ^a \$'000	Actual Expenses 2016–17 \$'000	Variations 2016–17 \$'000
Program 2.4: Refugee and Humanitarian Assistance			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1, 3, Supply Act No.1)	51,550	48,170	(3,380)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	51,550	48,170	(3,380)
Departmental expenses:			
Departmental appropriation ^b	106,448	136,361	29,913
Expenses not requiring appropriation in the Budget year ^c	4,249	10,656	6,407
Departmental total	110,697	147,017	36,320
Total expenses for Program 2.4	162,247	195,187	32,940
Outcome 2 Totals by appropriation type			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1, 3, Supply Act No.1)	51,550	49,292	(2,258)
Expenses not requiring appropriation in the Budget year ^c	-	10,611	10,611
Administered total	51,550	59,903	8,353
Departmental expenses:			
Departmental appropriation ^b	766,796	827,820	61,024
Expenses not requiring appropriation in the Budget year ^c	76,442	87,067	10,625
Departmental total	843,238	914,887	71,649
Total expenses for Outcome 2	894,788	974,790	80,002
Average staffing level (number)	5,090	4,921	(169)

a. Budget relates to the revised budget estimates reported in the PAES 2016–17.

b. Departmental appropriation combines ordinary annual services (Appropriation Act Nos. 1, 3 and Supply Act No.1) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

c. Expenses not requiring appropriation in the Budget year include depreciation and amortisation, write down and impairment of assets.

Expenses for Outcome 3 2016–17

	Budget 2016–17 ^a \$'000	Actual Expenses 2016–17 \$'000	Variations 2016–17 \$'000
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.			
<u>Program 3.1: Border-Revenue Collection</u>			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1, 3, Supply Act No.1)	-	-	-
Expenses not requiring appropriation in the Budget year ^c	13,500	18,693	5,193
Administered total	13,500	18,693	5,193
Departmental expenses:			
Departmental appropriation ^b	66,167	71,943	5,776
Expenses not requiring appropriation in the Budget year ^c	5,449	10,775	5,326
Departmental total	71,616	82,718	11,102
Total expenses for Program 3.1	85,116	101,411	16,295
<u>Program 3.2: Trade Facilitation and Industry Engagement</u>			
Departmental expenses:			
Departmental appropriation ^b	52,603	36,971	(15,632)
Expenses not requiring appropriation in the Budget year ^c	2,391	3,024	633
Departmental total	54,994	39,995	(14,999)
Total expenses for Program 3.2	54,994	39,995	(14,999)

Outcome 3 Totals by appropriation type	Budget 2016–17^a \$'000	Actual Expenses 2016–17 \$'000	Variations 2016–17 \$'000
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1, 3, Supply Act No.1)	-	-	-
Expenses not requiring appropriation in the Budget year ^c	13,500	18,693	5,193
Administered total	13,500	18,693	5,193
Departmental expenses:			
Departmental appropriation ^b	118,770	108,914	(9,856)
Expenses not requiring appropriation in the Budget year ^c	7,840	13,799	5,959
Departmental total	126,610	122,713	(3,897)
Total expenses for Outcome 3	140,110	141,406	1,296
Average staffing level (number)	560	618	58

a. Budget relates to the revised budget estimates reported in the PAES 2016–17.

b. Departmental appropriation combines ordinary annual services (Appropriation Act Nos. 1, 3 and Supply Act No.1) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

c. Expenses not requiring appropriation in the Budget year include depreciation and amortisation, write down and impairment of assets.

APPENDIX D: SALARY AND CLASSIFICATION RATES

The following tables provide a breakdown of salary ranges within each classification as prescribed by the Departments EA.

Table 31: Salary and classification rates – Indigenous cadets and graduates		
APS classification	Salary point	Salary effective 30 June 2017
Indigenous Cadet pay rates during full-time study are 60 per cent of full-time APS1		\$25,451
APS1 and Indigenous Cadet during practical training	APS 1.1	\$42,419
	APS 1.2	\$43,825
	APS 1.3	\$47,004
Graduate (APS Level 3)	APS 3.1	\$53,937
	APS 3.2	\$55,553
	APS 3.3	\$59,933

Table 32: Salary and classification rates – APS level staff

APS classification	Salary point	Salary effective 30 June 2017
APS Level 1	APS 1.1	\$42,419
	APS 1.2	\$43,825
	APS 1.3	\$47,004
APS Level 2	APS 2.1	\$47,424
	APS 2.2	\$48,667
	APS 2.3	\$49,935
	APS 2.4	\$53,353
APS Level 3	APS 3.1	\$53,937
	APS 3.2	\$55,553
	APS 3.3	\$59,933
APS Level 4	APS 4.1	\$60,452
	APS 4.2	\$62,027
	APS 4.3	\$66,904
APS Level 5	APS 5.1	\$67,638
	APS 5.2	\$68,948
	APS 5.3	\$72,856
APS Level 6	APS 6.1	\$74,321
	APS 6.2	\$78,054
	APS 6.3	\$85,301

Table 33: Salary and classification rates – Executive Level staff

APS classification	Salary point	Salary effective 30 June 2017
Executive Level 1	EL 1.1	\$92,801
	EL 1.2	\$95,083
	EL 1.3	\$103,393
Executive Level 2	EL 2.1	\$109,959
	EL 2.2	\$114,070
	EL 2.3	\$118,179
	EL 2.4	\$128,120

Table 34: Salary and classification rates – Legal Officers

APS classification	Local title	Salary point	Salary effective 30 June 2017
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 35: Salary and classification rates – Public Affairs Officers

APS classification	Local title	Salary point	Salary effective 30 June 2017
APS Level 4	Public Affairs Officer 1	PAO 1 APS 4.1	\$60,452
		PAO 1 APS 4.2	\$66,736
APS Level 5		PAO 1 APS 5.1	\$67,399
		PAO 1 APS 5.2	\$72,856
APS Level 6	Public Affairs Officer 2	PAO 2 APS 6.1	\$76,188
		PAO 2 APS 6.2	\$78,054
		PAO 2 APS 6.3	\$80,442
		PAO 2 APS 6.4	\$87,806
Executive Level 1	Public Affairs Officer 3	PAO 3 EL 1.1	\$104,800
		PAO 3 EL 1.2	\$106,945
		PAO 3 EL 1.3	\$115,836
Executive Level 2	Senior Public Affairs Officer B	SPAO B EL 2.1	\$114,697
		SPAO B EL 2.2	\$124,463
	Senior Public Affairs Officer A	SPAO A EL 2.3	\$121,022
		SPAO A EL 2.4	\$131,103

Table 36: Salary and classification rates – Medical Officers

APS classification	Salary point	Salary effective 30 June 2017
Medical Officer Class 2	MO 2.1	\$116,580
	MO 2.2	\$127,121
Medical Officer Class 3	MO 3.1	\$130,311
	MO 3.2	\$141,226
Medical Officer Class 4	MO 4.1	\$147,664
	MO 4.2	\$150,449
	MO 4.3	\$161,970

APPENDIX E: 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 <i>Migration Act 1958</i> , OMARA is required to submit a report to Parliament on the administration of Part 3 of the Act during the financial year.
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Information about migration agents

Overview of the profession On 30 June 2017, 7006 people were registered in Australia as migration agents. This compares with 6306 on 30 June 2016 and represents an increase of 12 per cent in 12 months.	Profile of registered migration agents <ul style="list-style-type: none">• 48 per cent are female and 52 per cent are male• 44 years is the average age• 2292 (33 per cent) of the total number registered have a legal practising certificate; of the 573 agents who are registered	as not-for-profit, 77 per cent hold a legal practising certificate <ul style="list-style-type: none">• 75 per cent have never had a complaint made against them• 39 per cent report operating in a business as a sole trader.
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Table 37: Experience of registered migration agents at 30 June 2017		
Experience (years)	Agents	Per cent (of total agents)
< 1	1499	21%
1 – 3	2010	29%
4 – 6	883	13%
7 – 9	918	13%
> 10	1696	24%
Total	7006	100%

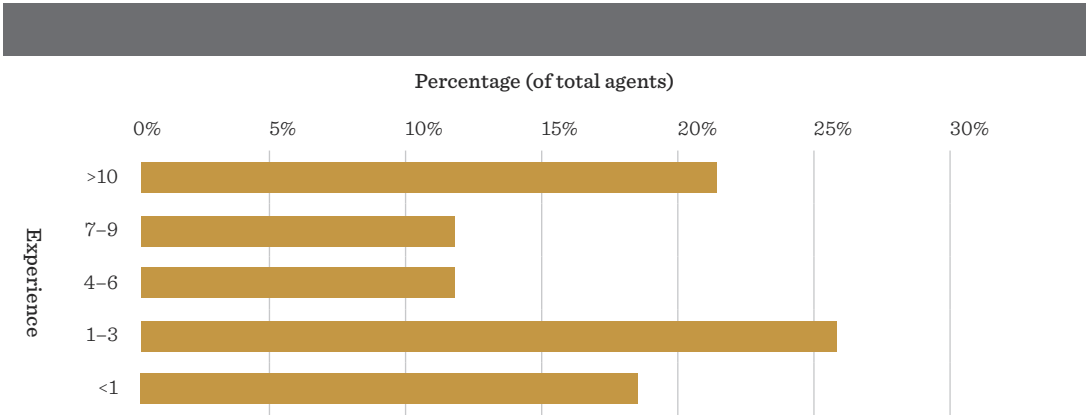


Table 37 shows that at 30 June 2017, some 1499 (21 per cent) of migration agents had been continuously registered for less than one year and 2010 (29 per cent) had been registered for between one and three years. In all, 1696 (24 per cent) agents were registered for more than 10 years.

Registration refusals and withdrawals

During 2016–17, 11 registration applications were refused, comprising two initial applications and nine repeat applications. In addition, 47 applications

were withdrawn in anticipation of the application being refused, mostly for not meeting the English language requirement. Refusals of initial registration applications were based

on applicants not meeting the English language and qualification requirements. Refusals of repeat registration applications were based on fit and proper considerations.

Complaint processing

The OMARA received 746 complaints during 2016–17 and finalised 584. Merit and jurisdiction were established for 235 complaints and 107 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 16 registered migration agents in 2016–17, in relation to 40 of the 107 complaints where breaches were found. These decisions resulted in seven agents having their

registration suspended, eight having their registration cancelled and one agent being barred from registering again as a migration agent for a period of five years.

OMARA review

The OMARA continues to implement recommendations from the independent review conducted by Dr Christopher N Kendall in 2014. As a result of the recommendations, the following have been implemented:

- The agents' registration renewal process was streamlined to reduce the required supporting documents needed during re-registration. This has resulted in a faster process and a significantly reduced regulatory burden.
 - From 1 July 2016, Australian legal practitioners no longer need to complete additional continuing professional development to renew their registration as a migration agent.
 - Legal profession regulatory bodies were consulted on the removal of Australian legal practitioners who provide immigration assistance from regulation by the OMARA. Legislation was tabled in Parliament on 21 June 2017.
 - Approval was granted to various Australian universities to develop and deliver the new entry-level qualification for migration agents at the graduate diploma level. The new course is expected to be available from January 2018.
-

APPENDIX F: 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.

Information on the Department's IPS is available on the Department's website.¹⁰³

103 www.border.gov.au/about/access-accountability/freedom-of-information-foi/information-publication-scheme

Reference material

PART 7

ABBREVIATIONS	282
GLOSSARY	288
LIST OF REQUIREMENTS	300
INDEX	306

PART 7:

Reference material

ABBREVIATIONS AND ACRONYMS

A	
ABF	Australian Border Force
ABFC	Australian Border Force Cutter
AC	Audit Committee
ACBPS	Australian Customs and Border Protection Service
ADF	Australian Defence Force
AEO	Authorised Economic Operator
AFP	Australian Federal Police
AHRC	Australian Human Rights Commission
AHT	Average handle time
AMD	Australian maritime domain
ANAO	Australian National Audit Office
APEC	Asia-Pacific Economic Cooperation
APM	Australian Police Medal
APS	Australian Public Service
APSC	Australian Public Service Commission
ASEAN	Association of Southeast Asian Nations
ATO	Australian Taxation Office
ATT	Australian Trusted Trader
Austrade	Australian Trade and Investment Commission

B

BVE	Bridging visa E (subclass 050-051)
-----	------------------------------------

C

CDC	Commercial data centre
-----	------------------------

CMP	Compliance Monitoring Programme
-----	---------------------------------

CPOH	Calls per open hour handled
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CPRs	Commonwealth Procurement Rules
------	--------------------------------

CSAM	Continuous Survey of Australia's Migrants
------	---

CSP	Community Support Programme
-----	-----------------------------

CSS	Commonwealth Superannuation Scheme
-----	------------------------------------

CTU	Counter-Terrorism Unit
-----	------------------------

D

DFAT	Department of Foreign Affairs and Trade
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DIBP or the Department	Department of Immigration and Border Protection
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E

EA	Enterprise Agreement
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EEGO	Energy Efficiency in Government Operations
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EEZ	Exclusive Economic Zone
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EL	Executive Level
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ELOs	Ethnic Liaison Officers
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ELT	English language training
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EMS	Environmental management system
-----	---------------------------------

F	
FCO	Fraud Control Office
FFV	Foreign fishing vessel
FOI	Freedom of Information
FWC	Fair Work Commission
G	
GLS	Green lease schedule
GOS	Grade of Service
I	
ICT	Information and communications technology
IDF	Immigration detention facility
IFA	Individual flexibility arrangement
IMA	Illegal maritime arrival
IOM	International Organization for Migration
IPS	Information Publication Scheme
ISA	Integrity, Security and Assurance
J	
JLL	Jones Lang LaSalle
K	
KPI	Key performance indicator
L	
LGBTI	Lesbian, gay, bisexual, transgender or intersex
M	
MBC	Maritime Border Command
MoU	Memorandum of Understanding
MRA	Mutual recognition agreement

N

NABERS	National Australian Built Environment Rating System
NAIDOC	National Aborigines and Islanders Day Observance Committee
NCTF	National Committee on Trade Facilitation
NII	Non-intrusive inspection
NPWS	National Parks and Wildlife Service
NRRT	National Returns and Removals Taskforce

O

OAIC	Office of the Australian Information Commissioner
OCO	Oceania Customs Organisation
OMARA	Office of the Migration Agents Registration Authority
OMCGS	Outlaw motorcycle gangs
ORG	Operational Requirements Group
OSB	Operation Sovereign Borders
OTCG	Operations Tasking and Coordination Group

P

PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PIA	Protected industrial action
PIDC	Pacific Immigration Director Conference
PNG	Papua New Guinea
PNR	Passenger name records
PSM	Public Service Medal
PSS	Public Sector Superannuation Scheme
PUE	Power usage effectiveness
PWGA	Passenger Workload Growth Agreement

R	
RCA	Regional Cooperation Arrangement
ReCAAP	The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia
RILO AP	Regional Intelligence Liaison Office Asia/Pacific
RPC	Regional processing centre
RSD	Refugee status determination
RSO	Regional Support Office
S	
SAP	Strategic Assurance Programme
SCG	Strategic Command Group
SCV	Special Category (subclass 444) visa
SDP	Service delivery partner
SES	Senior Executive Service
SIEV	Suspected illegal entry vessel
SLAs	Service level agreements
SMEs	Small and medium enterprises
SPM	Strategic performance measure
SSVF	Simplified student visa framework
T	
TEU	Twenty foot equivalent unit (cargo capacity measurement)
TIS	Translating and Interpreting Service
U	
UNHCR	United Nations High Commissioner for Refugees
US	United States

V	
VEVO	Visa entitlement verification online
W	
WCO	World Customs Organization
WHS	Work health and safety

GLOSSARY

Term	Definition
A	
Asia-Pacific Economic Cooperation (APEC) Business Travel Card	Allows business travellers, who are citizens of APEC member countries, faster and easier entry to these countries.
Assisted voluntary return	A service delivered in partnership with the International Organization for Migration that provides impartial 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)	Established on 8 August 1967, ASEAN is a regional grouping that promotes economic, political, and security cooperation among its 10 members: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.
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 to refugees 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>	An 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 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 is the preeminent multilateral forum in the Asia-Pacific to raise regional awareness of the consequences of people smuggling, trafficking in people and related transnational crime.
Border continuum	The Department's approach which views the Australian border as a complex continuum stretching offshore and onshore, including its overseas, maritime, physical and domestic dimensions.
Border Control Agency Management Programme	An Australian Government sponsored programme to train migration officers from the Mekong region to facilitate the movement of regular and, through cooperation, to act against people smuggling and human trafficking.
Bridging visa E (subclass 050-051) BVE	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.

Term	Definition
C	
Channels	Ways in which a person or business can contact or interact with the Department.
Citizenship Wizard	An application on the Department's website that provides information about applying for Australian citizenship.
Cocaine	Addictive illicit drug derived from coca or prepared synthetically.
Comcare	A statutory authority established under the <i>Safety, Rehabilitation and Compensation Act 1988</i> (SRC Act) and covered by the <i>Commonwealth Authorities and Companies Act 1997</i> that administers the Commonwealth's workers' compensation scheme under the SRC Act; and the <i>Work Health and Safety Act 2011</i> .
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.
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 reside in the community at a specified address and in accordance with certain conditions, instead of being held in immigration detention. 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 Proposal Pilot	Established in 2013 to strengthen Australia's commitment to assisting refugees by providing an additional resettlement pathway for people in humanitarian situations outside Australia. From 1 July 2017 the Community Support Programme replaced the Community Proposal Pilot.
Community Support Programme	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	A role responsible for enforce of Customs law and collection of border-related revenue.
Conference of Asia Pacific Express Carriers	An organisation that represents the world's leading integrated express delivery service companies.
<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
D	
Disability	<p>Under the <i>Disability Discrimination Act 1992</i> in relation to a person, disability is defined as:</p> <ul style="list-style-type: none"> • total or partial loss of bodily or mental functions • total or partial loss of a part of the body • the presence in the body of organisms causing disease or illness • the presence in the body of organisms capable of causing disease or illness • the malfunction, malformation or disfigurement of a part of the body • disorder or malfunction that results in the person learning differently from someone without the disorder or malfunction • a disorder, illness or disease that affects a person's thought processes, perception of reality, emotions or judgement or that results in disturbed behaviour and includes a disability that: • presently exists • previously existed but no longer exists • may exist in the future • is imputed to a person.
Displaced populations	People who leave their homes in groups, usually because of a natural, technological or deliberate event, such as an earthquake, flood, threat or conflict.
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 Efficacy in Government Operations	Policy developed by the Department of Environment and Energy which 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.
Examination of mail item	Examination of a mail item, including opening of the item itself, by an ABF officer.

Term	Definition
Exclusive Economic Zone (EEZ)	The Australian EEZ is defined in the <i>Seas and Submerged Lands Act 1973</i> . It is 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. The Australian EEZ area is made up of 8.2 million square kilometres located off Australia and its remote offshore territories and 2 million square kilometres off the Australian Antarctic Territory.
F	
Family migration programme	Family stream migration is one of the main components of Australia's Migration Programme. It has four main categories -partner, child, parent and other family visa categories.
Federal Chamber of Automotive Industries (FCAI)	The peak industry organisation representing the manufacturers and importers of passenger vehicles, light commercial vehicles and motorcycles in Australia.
<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 of its agencies.
Freight and Trade Alliance	An Australian representative body for the international supply chain sector that brings together importers, customs brokers, freight forwarders and logistics service providers.
G	
General Cancellation Network	Undertakes visa cancellation activity (other than character grounds) to support the integrity of Australia's visa programme and to protect the Australian community. It supports operational, programme and policy areas and has a strong focus on national security, community protection, identity and other serious fraud, and breaches of visa conditions.
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.
HMAS <i>Bathurst</i>	A Royal Australian Navy vessel with a range of 3,000 nautical miles at 12 knots and a maximum speed of 25 knots. It is the RAN's principal contribution to the nation's fisheries protection, immigration, customs and drug law enforcement operations.
Humanitarian Programme	Australia's Humanitarian Programme comprises the offshore resettlement and onshore protection components.

Term	Definition
I	
Illegal maritime arrival (IMA)	The word '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. Unauthorised arrivals are referred to in the <i>Migration Act 1958</i> but in this report the term used is 'illegal maritime arrivals'.
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. Through ImmiAccount clients can create, submit, pay for and manage their online visa applications in one place. It also connects clients to other online services, including My Health Declarations, Visa Finder, visa entitlement verification online (VEVO), LEGENDcom and the Pricing Estimator.
Industry Hub	Web page developed by the Department in consultation with members of the Industry Summit to improve communication with industry stakeholders and make information more readily available.
Industry Summit	Hosted by the Department annually, the Industry Summit is a forum 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.
Integrated Department	A term describing the Department after the integration of the former Immigration Department and the Australian Customs and Border Protection Service. Integration created the Department of Immigration and Border Protection, with the Australian Border Force within the organisation.
Intelligence-informed approach	An procedure that ensures that strategic and operational decision-making is based on intelligence information.
International Capacity Building Programme	A scheme to develop and strengthen the skills, instincts, abilities, processes and resources of international organisations and communities.
International Day of People with Disability	A United Nations-sanctioned day that is celebrated internationally. It 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 of the movement and expansion of women's rights, held annually on March 8.
Intervention	Use of processes, including risk assessment, inspection and examination, to prevent the import or export of prohibited items and to control the movement of restricted items.

Term	Definition
K	
Key performance indicator	Quantitative or qualitative variable that provides a reliable way to measure intended changes. KPIs are used to chart progress and measure actual results as compared with expected results.
L	
Legacy caseload	The Department's term to describe the cohort of illegal maritime arrivals (IMAs).
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 piece of legislation that regulates travel to Australia and the stay of non-citizens.
Migration Programme	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.
Migration Programme planning levels	The Migration Programme 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.
N	
NAIDOC Week	NAIDOC (National Aboriginal and Islander Day Observance Committee) Week is an Australian observance lasting from the first Sunday in July until the following Sunday. It celebrates the history, culture and achievements of Aboriginal and Torres Strait Islander peoples.
National Australian Built Environment Rating System	A national rating system that measures the environmental performance of Australian buildings.
National Carers Week	An observance that marks the contribution unpaid carers make in Australia.
National Committee on Trade Facilitation	A forum for the discussion of matters affecting Australian industry stakeholders in international trade.

Term	Definition
National Innovation and Science Agenda	An Australian Government programme to foster new ideas in science and harness new sources of growth to deliver economic prosperity in Australia.
National Passenger Facilitation Committee	A committee chaired by the Department that advises on passenger processing policy.
National Reconciliation Week	An annual event that celebrates and builds on the respectful relationship shared by Aboriginal and Torres Strait Islander people and other Australians.
National Sea Passenger Facilitation Committee	A body to explore ideas and options, and develop and implement initiatives to improve international sea passenger movements and other aspects of international ocean vessel visits, while maintaining or enhancing Australia's border protection capability.
Nautical miles	A measurement of distances at sea, equal to 1,852 metres.
New Zealand Customs Service	The government agency entrusted with ensuring the security of the New Zealand border.
O	
Ocean Shield	The largest ship in the ABF fleet. It can respond to a range of maritime security threats and undertakes 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.
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 Sovereign Borders Joint Agency Task Force	Operation Sovereign Borders Joint Agency Task Force (OSB JATF) is a military-led, border security operation established to ensure a whole-of-government effort to combat maritime people smuggling. OSB JATF is supported by 16 Australian Government agencies.

Term	Definition
P	
Pacific Immigration Director's 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 fiancé.
Passenger name records	Information on people taking or proposing to take international passenger flights into and out of Australia.
Patrols (CTU context)	Overt and covert activity by CTU officers in airport precincts with the intention of detecting, deterring and disrupting terrorist-related activity.
<i>People Strategy 2020</i>	The Department's overarching vision for its people and sets the tone for the organisational culture.
Planning level	The Australian Government sets annual planning levels by visa category under the permanent Migration Programme for Skilled, Family and Special Eligibility stream migrants, and under the Humanitarian Programme for refugees and others in humanitarian need. 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).
Primary Application Information service	A government-funded service to help eligible illegal arrivals apply for a protection visa.
Priority processing direction	The order in which the Department considers permanent skilled migrant applications.
<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 establishment and management of the Australian Public Service.

Term	Definition
R	
RAND Corporation	American-base-research organisation that develops public policy solutions.
Reconciliation Ambassadors Network	An internal network developed by the Department to progress reconciliation initiatives.
RecruitAbility	An Australian Public Service scheme that aims to attract and develop applicants with disabilities and to facilitate cultural changes in selection panels and agency recruitment.
Refugee and Humanitarian Assistance Programme	Australia's Refugee and Humanitarian Assistance Programme is an important part of the Department's contribution to the international protection of refugees. It 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 programme.
Refugee	A person recognised as needing protection. The 1951 Convention Relating to the Status of Refugees defines a refugee is someone who is outside their country and is unable or unwilling to go back because they have a well-founded fear of being persecuted because of their race, religion, nationality, political opinions or membership of a particular social group.
The 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 against ships 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.
Simplified student visa framework	A framework that came into effect on 1 July 2016 that is designed to simplify the student visa application process for genuine students.
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	Those categories of the Migration Programme where the core eligibility criteria are based on the applicant's employability or capacity to invest and/or do business in Australia. Any accompanying immediate family members of Skill stream principal applicants are also counted as part of the Skill stream.

Term	Definition
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 Humanitarian Programme (SHP)	A stream within the offshore Humanitarian Programme 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 Eligibility stream	A subset of the Migration Programme that provides for the migration of former residents of Australia.
Status resolution officers	Status resolution officers work with clients to explain visa options and how decisions they make can affect options later on.
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 tier-one document that guides the Department's long-term strategy for fulfilling its mission, and that articulates its strategic objectives and responses.
Student	A term referring to a holder of a student visa (subclasses 570-576).
T	
Tariff classification	Goods imported into Australia require classification under the <i>Customs Tariff Act 1995</i> .
Temporary Skilled Migration Income Threshold	A major component of the Temporary Skilled (subclass 457) visa programme. It has been used as an entry-level salary threshold to protect lower-paid Australian jobs and to ensure that 457 visa holders have reasonable means of support while in Australia.
Temporary Protection (subclass 785) visa	A temporary protection visa offered by the Department to those who have arrived in Australia illegally.
Temporary visas or temporary entry visas	Provides for the entry of people from overseas to Australia on a temporary basis for purposes that benefit Australia, such as tourism, study, work or other activities. From 2014–15 this definition was expanded to include Special Category visas (subclass 444) provided to New Zealanders when they enter Australia.
Temporary Work (Skilled) (subclass 457) visa	Allows a skilled worker travel to Australia to work in their nominated occupation for their approved sponsor for up to four years. On 18 April 2017 the Prime Minister, the Hon Malcolm Turnbull MP, and Minister for Immigration and Border Protection, the Hon Peter Dutton MP, announced that the Temporary Work (Skilled) (subclass 457) visa would be abolished and replaced with the new Temporary Skill Shortage (TSS) visa. This will help businesses to meet genuine skill shortages.

Term	Definition
TIS National	Provides interpreting services in more than 160 languages and dialects for people who do not speak English and for agencies and businesses 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. It has transformed TIS National's capability, providing faster and better services for clients at a lower cost per service.
Tourist Refund Scheme	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.
Transferee	An IMA transferred to an offshore processing centre in an offshore regional processing country.
Trace particle detector	Based on the principal of ion mobility spectrometry, it detects traces of substances in the low nanogram (1 billionth of a gram) range. The detector takes eight seconds to analyse collected particles and display the results on a computer screen. Detectors are in operation at airports, seaports, cargo and postal facilities throughout Australia.
Twenty foot equivalent units	A unit of cargo capacity that describes the capacity of container ships and container terminals. It is based on the volume of a 20-foot-long (6.1m) intermodal container, a standard size metal box that can be easily transferred between different modes of transportation.
U	
Unaccompanied Humanitarian Minors Programme	The Unaccompanied Humanitarian Minors Programme 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 Immigration and Border Protection 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 entitlement verification online (VEVO)	An online service operated by the Department to check visa details and decisions.

Term	Definition
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. This subclass recognises the priority the UNHCR gives to the protecting of refugee women who are in particularly vulnerable situations.
<i>Work Health and Safety Act (Cth) 2011</i>	An Act to secure the health and safety of persons at work. It superseded the <i>Occupational Health and Safety Act 2000</i> .
Working holiday makers	A collective term referring to those holding Working Holiday (subclass 417) visas and Work and Holiday (subclass 462) visas.

LIST OF REQUIREMENTS

PG&PA 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	iii
17AD (h)	Aids to access		
17AJ(a)	Table of contents.	Mandatory	iv–vi
17AJ(b)	Alphabetical index.	Mandatory	306–319
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	282–287
17AJ(d)	List of requirements.	Mandatory	300–305
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	2–9
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	10–11
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	12–18
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	22–23
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	10–11
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments – Mandatory	n/a
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	26–115
	17AD(c)(ii) Report on financial performance		
17AF (1) (a)	A discussion and analysis of the entity's financial performance.	Mandatory	116–119
17AF (1) (b)	A table summarising the total resources and total payments of the entity.	Mandatory	116–119, 264–271
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	116–119, 264–271
17AD(d)	Management and accountability		
	Corporate governance		
17AG(2)(a)	Information on compliance with section 10 (fraud systems)	Mandatory	iii
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	iii
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	iii
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	iii
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	201–205
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	208

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	209–212
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	216
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	209–215
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	213–214
Management of human resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	228–232
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	225–237
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	233–237
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	234–237
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	272–275
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	237
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	236–237

PGPA Rule Reference	Description	Requirement	Page
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	236–237
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	236–237
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, Mandatory	236–237
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	246
Purchasing			
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	242–243
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	243
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	243
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	242
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	243

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	242–243
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	242–243
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	242–243
Financial statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	128–193

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	244
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	247
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	231
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	279
17AH(1)(e)	Correction of material errors in previous annual report.	If applicable, Mandatory	258–263
17AH(2)	Information required by other legislation.	Mandatory	238–241, 276–277, 248–251

INDEX

A

- abbreviations and acronyms, 282–7
- ABF *see* Australian Border Force
- ABFC *Ocean Shield*, 4, 112
- absenteeism, 241
- accountable authority, iii, 201
 - statement by, 26
- address and contact details, *inside front cover*
- advertising and market research, 244
 - 2015–16 corrections, 263
- aerial surveillance, 98–101
- agency financial resource statement, 264–71
- air passengers, 255 *see also* arrivals
 - and departures
- Airline Liaison Officer program, 7
- airport clearances, 255
- alternative places of detention *see*
 - immigration detention facilities
- ANAO *see* Australian National Audit Office
- annual performance statements compliance
 - statement by accountable authority, 26
- annual report contact officer, *inside front cover*
- annual reports, correction of
 - material errors, 258–63
- anti-corruption measures, 207
- appointment booking services, 218, 220
- arrivals and departures, 6, 45, 88
 - forecast numbers, 45
 - interventions, 88, 95
 - risk assessment of travellers, 7, 88
 - statistics, 2, 45, 48–9, 88–9, 92–3, 255
- asbestos, 8
- Asia-Pacific Economic Cooperation
 - Business Travel Card, 219
- Asia-Pacific Regional Heads of
 - Customs Administrations, 105
- assets management, 246
- Association of Southeast Asian Nations, 104
- Audit Committee, 202, 203, 207
- Auditor-General reports, 210–12
- audits
 - of financial statements, 122–5
 - internal, 206
 - see also* Australian National Audit Office
- AusTender, 242, 243
- Austrade (Australian Trade Commission), 223
- Australia Day Awards, 221
- Australian Airports Association, 52
- Australian Border Force
 - ABF 2020*, 205
 - Commissioner's remuneration, 233
 - Commissioner's review of year, 2–9
 - Commissioner's role, 201
 - Counter Terrorism Units, 7, 89
 - Enforcement Command, 8
 - Marine Unit employment provisions, 235
 - Maritime Border Command, 4, 98–103, 106
 - role and functions, 10
 - Strategic Border Command, 106
 - use of statutory powers, 211
- Australian Commission for Law Enforcement
 - Integrity, 208
- Australian Customs and Border
 - Protection Service
 - determinations on former
 - employee conditions, 233, 235–7
 - see also* Australian Border Force
- Australian Customs and Border Protection Services Enterprise Agreement 2011–2014*, 235, 236
- Australian Defence Force personnel, 98
- Australian economy, contribution
 - to *see* Purpose 1

Australian Federal Police, 4
 Australian Human Rights Commission
 complaints, 216
 reports, 209
 Australian Information Commissioner
 see Office of the Australian
 Information Commissioner
 Australian maritime domain, 98
 Australian National Audit Office
 access provisions, 242

 independent auditor's report on
 financial statements, 122–5
 reports, 210–12
 Australian Trade Commission (Austrade), 223
 Australian Trusted Trader Programme,
 8–9, 39, 44, 47, 52, 55, 56
 Australian Visa Application Centres, 223
 automated border processing *see* SmartGates
 awards and recognition, 221

B

Bali Process on People Smuggling, 104
Bay Class vessels, 4
 Border Control Agency Management
 Programme, 106–7
 border fees, charges and taxes
 see revenue collection
 border management, 2, 6–9
 arrivals and departures, 255
 cargo and mail, 2, 44, 90–5, 255
 clearance processes, 6
 clearances, 255
 performance statements, 38–41, 44–51

 revenue collection, 38–41, 257
 statistics, 29, 255
 border protection, 4, 7–9
 control and surveillance of the
 maritime domain (performance
 statements), 98–103, 111, 256
 people smuggling, 256
 threat detection (performance statements),
 88–97
 Bridging E visas, 78
 Buchhorn, Wayne, 199
 business and corporate planning, 205

C

Cadena (taskforce), 8
 calls per open hour handled, 221
 Cambodia, 108
 Canberra Airport, 7
 Canberra Data Centres, 250
 capability reviews, 213–14
 capacity building in other
 countries, 73, 75, 106–9
Cape Class vessels, 99
 cargo, 2, 90–5, 220, 255

case studies
 Australian Trusted Trader
 Programme, 56–7
 civil maritime security cooperation, 112–13
 cocaine interception, 102–3
 crystal methamphetamine seizure, 96–7
 General Cancellation Network, 84–5
 illicit cigarettes detection, 42–3
 permanent residence pathway
 for New Zealand citizens, 64–5

- protection against family violence
 - within the migrant community, 70–1
- SmartGates, 50–1
- student visa programme growth, 36–7
- Syrian and Iraqi refugees, 76–7
- cash movements, 89
- Channel Strategy 2017–20*, 218, 220
- Child Protection Panel, 5, 79, 212
- Child Safeguarding Framework, 5, 79
- children
 - Child places, 31, 254
 - protection of, 5, 79, 212
- China, visitors from, 4, 30
- cigarettes *see* illicit tobacco seizures
- citizenship
 - evidence application form, 219
 - performance statements, 66–71
 - promotion of, 66–7
 - requirements, 66
 - statistics, 2, 66, 67, 68–9, 255
- citizenship appointment booking
 - service, 218, 220
- civil litigation *see* court cases
- civil maritime security cooperation, 112
- client experience research, 218
- client service, 218–24
 - client contact statistics, 257
 - reporting to clients, 32
 - service centres, 221
- cocaine interception, 102
- cohesive society, 58–64
- collaboration
 - contribution to economy
 - (performance statements), 52–7
 - partners within and outside Australia
 - (performance statements), 104–13
- Comcare notifications, claims
 - and investigations, 240–1
- Commissioner, Australian Border Force
 - see under* Australian Border Force
- Committee for Economic
 - Development of Australia, 60
- Commonwealth Fraud Control Framework 2014* compliance, iii, 207
- Commonwealth Grant Rules
 - and Guidelines, 247
- Commonwealth Ombudsman, 210, 216
- Commonwealth Procurement Rules, 242, 243
- Commonwealth Risk Management Policy*, 205
- community engagement, 224
- Community Proposal Pilot, 72–3
- Community Support Programme, 61, 73
- compensation claims, 216
- complaints handling
 - DIBP, 216
 - OMARA, 278
- Compliance Monitoring Programme, 44–5
- compliance with border policies *see*
 - border management; border protection
- compliance with immigration system,
 - 78, 79, 83, 89–90, 95, 256
- Conference of Asia Pacific
 - Express Carriers, 52
- Connell, Jenet, 198
- consultants, 243
- contact details, *inside front cover*
- Continuous Survey of Australia's
 - Migrants, 31, 35
- contraband, 89, 90–1
- corporate governance, 196–208
 - governance structure, 201–2
 - risk, fraud and integrity measures, 206
 - senior executives, 197–200
 - senior management committees, 201–4
 - SES remuneration, out?
 - statement of main governance
 - practices, 196
- Corporate Plan 2016–17*, 205
 - performance criteria, 27
 - purposes and PBS programmes map, 23

correction of material errors in
 previous annual reports, 258–63
 corruption prevention and
 management, 207–8
 counter-terrorism initiatives, 99, 101
*Counter-Terrorism Legislation Amendment
 (Foreign Fighters) Act 2014*, 209
 Counter Terrorism Units, 7, 89
 court cases, 216

D

Dandelion Program, 231
 days of significance, 232
 Department of Agriculture and Water
 Resources, 7
 Department of Foreign Affairs and Trade,
 107, 223
 Department of Home Affairs, 9
 Department of Human Services Indigenous
 Apprenticeships Programme, 232
 departmental office and post locations, 20–1
 departures *see* arrivals and departures
 Deputies Committee, 202, 203
 detector dogs, 255

credit card use, 211
 cruise ships, 6
 crystal methamphetamine (ice) seizure, 96
 Customs Brokers and Forwarders
 Council of Australia, 52
 customs duty *see* revenue collection
 customs service *see* Australian Border Force
 cybersecurity, 212

detention *see* immigration detention
 digital services, 219
 disability initiatives and services
 (employees with disability), 231
 displaced persons *see* humanitarian
 and refugee programmes
 diversity in the workforce, 231, 232
 drawbacks, 38–9, 41 *see also*
 revenue collection
 drugs *see* illicit drug detections
 Dutton, Hon Peter, 10
 Duty Drawback Scheme, 38

E

ecologically sustainable development, 248–51
 education market, 30
 Education Visa Consultative
 Committee, 30, 52–3
 Efficiency through Contestability
 Programme, 213–14
 electronic lodgement *see* digital services
 employees (Department) *see* staff
 employer obligations in employment
 of non-citizens, 79, 81
 Energy Efficiency in Government
 Operations, 251
 energy performance, 251

enforcement activities for visa programmes
 see under visa programmes
 enforcement arm of department
 see Australian Border Force
 engagement *see* international engagement;
 stakeholder consultation and engagement
 English Language Training Programme, 106
 enterprise agreements, 233, 235–7
 enterprise risks *see* risk management
 Entrepreneur visa, 4
*Environment Protection and Biodiversity
 Conservation Act 1999*, 248, 251
 environmental performance, 248–51

ethical standards, 208
 ethnic liaison officers, 224
 Exclusive Economic Zone, 4
 Executive Committee, 202, 203
 Executive Level staff
 Executive Level Review, 228, 229, 230
 leadership conversations, 208
 remuneration *see* remuneration
 exempt contracts, 242
 expenses for outcomes, 266–71

F

Fair Work Commission, 216, 233
 Family stream, 31, 61
 places, 31, 254
 family violence, protection against, 70
 Federal Chamber of Automotive Industries
 and Shipping Australia Ltd, 52
 Fernandez, Maria, 198
 financial performance
 2015–16 corrections, 258–62
 assets and liabilities, 117
 audit report, 122–5
 expenses for outcomes, 266–71
 financial resource statement, 264–5
 operating result, 116
 report, 116–19

exports, 38, 46–7, 257
 external scrutiny
 capability reviews, 213–14
 complaints, 216
 FOI requests, 217
 judicial and administrative
 tribunal decisions, 216
 parliamentary committee reports, 215
 reports by external bodies, 209–12

financial statements, 121–93
 Financial Statements Sub-Committee, 203
 firearm detections at border, 2, 91, 255
 fishers, illegal, 98–101, 256
 fraud control, 207
 statement of compliance, iii
Freedom of Information Act 1982, 242, 279
 freedom of information requests, 217
 Freight and Trade Alliance, 52
 Functional and Efficiency Review, 213
 functions (roles and functions)
 ABF, 10
 department, 10–11, 19

G

General Cancellation Network, 84
 glossary, 288–99
 governance
 corporate *see* corporate governance
 framework for managing assets, 246
 WHS, 238

government advertising, 211, 244
 Government Design Awards, 221
 grants, 247
 green initiatives, 248–9
 green lease schedule management, 249

H

Hawke, Hon Alex, 10
 health screening, 35
 heritage strategy, 251
 high-risk vessels, 92
 human resources management, 225–37
 see also staff

human rights reports, 209–10
 humanitarian and refugee programmes, 3, 61
 performance statements, 72–7
 places, 72, 74, 75
 visas granted, 72, 255

I

ice (crystal methamphetamine) seizure, 96
 illegal firearm detections, 2, 91, 255
 illegal maritime arrivals, 5
 legacy caseload applications determined, 73, 75, 255
 see also non-citizens; people smuggling
 illegal, unregulated and unreported fishing, 98–101
 illegal foreign fishers taken into detention, 256
 illegal workers, 8, 79, 81, 256
 illicit drug detections, 2, 90, 96, 98, 102, 255
 illicit tobacco seizures, 2–3, 42, 91, 255
 ImmiAccount, 219
 immigration detention, 6
 Detention Capability Review, 5, 213
 people in (statistics), 256
 removal of non-citizens, 78
 reports on, 210–11, 212
 immigration detention facilities, 6, 82
 Villawood IDF heritage precinct, 251
 immigration status resolution, 5–6, 78, 82
 import processing charges
 see revenue collection
 imports, 38, 44–5, 46–8, 92, 257
 in-person services, 220
 independent auditor's report, 122–5
 India, 73, 106, 112
 Indigenous Australians
 Indigenous Apprenticeships Programme, 232

Indigenous businesses
 (procurement from), 243
 individual flexibility arrangements, 233, 235
 Indonesian Coast Guard, 106
 industrial action, 233
 Industry Summit 2016, 52
 information and communications technology
 software testing, 231
 sustainability initiatives, 250
 Information Publication Scheme, 279
 Infringement Notice Scheme, 45
 Integrity Framework, 208
 internal audit arrangements, 206
 International Capacity Building Programme, 73
 international education, 30
 international engagement
 Mutual Recognition Arrangements, 9, 44
 performance statements, 52–7, 104–13
 see also collaboration; regional
 capacity building; *and names of specific international organisations*
 International Organization for Migration, 107
 international travellers *see*
 arrivals and departures
 Internet home page, *inside front cover*
 interpreter services, 220–1, 222, 257
 Iraqi refugees, 3, 72, 75, 76, 255

J

- joint operations, 4
- Joint Working Group on Transnational Crime, 106
- judicial decisions, 216

K

- Kendall review of OMARA, 278
- key performance indicators *see* Strategic Performance Measures analysis and results
- knowledge management system, 221

L

- labour market, 30, 62, 63
- leadership programmes, 208, 230
- Legal Services Directions* 2005, 216, 245
- legal services expenditure, 245
- legislative framework, 19
- letter of transmittal, iii
- litigation *see* court cases
- Long-Term Strategic Skills List, 31

M

- mail items inspected, 44, 90, 91, 255
- Making Children Safer* report, 212
- Malaysia, 106
- Manus, PNG *see* Papua New Guinea
- marine pollution, 99
- Marine Unit employment provisions (ABF), 235–7
- Maritime Crew and Transit visas, 254
- maritime security operations, 98–103
- market research, 244
- memoranda of understanding
 - with Cambodia for refugee resettlement, 108
 - with government child welfare authorities, 79–80
- Migration Act 1958*, 210, 216
 - report on OMARA administration, 276–8
- migration agents, 276–8
 - disciplinary action against, 277
 - disciplinary action against (2015–16 corrections), 263
- Migration Programme, 30–6, 58–64
 - community views, 60
 - planning levels, 33, 63
 - reports on, 31, 60, 62
 - results, 33–5
 - statistics, 2, 29, 30, 31, 71, 254
 - see also* visa programmes; *and names of specific visas*
- Ministerial Advisory Council on Skilled Migration, 52–3
- Ministers, 10
- Mutual Recognition Arrangements, 9, 44

N

- National Australian Built Environment Rating System (NABERS), 249
- National Committee on Trade Facilitation, 52
- National Passenger Facilitation Committee, 52
- National Sea Passenger Facilitation Committee, 52
- Nauru, 5, 107–8, 110
- New Zealand citizens, permanent residence pathway for, 64
- Newton, Mandy, 199
- Noble, Rachel, 199
- non-citizens, unlawful *see* unlawful non-citizens
- non-salary benefits, 237
- notifiable incidents (WHS), 241

O

- Ocean Shield*, 4, 112
- Oceania Customs Organisation, 104
- office and post locations, 20–1
- Office of the Australian Information Commissioner
 - complaints, 216
 - reports, 209
- Office of the Commonwealth Ombudsman
 - complaints, 216
 - reports, 210
- Office of the Migration Agents Registration Authority, 276–8
 - 2015–16 annual report corrections, 263
 - review of, 278
- offshore processing centres, reports on, 211
- Ombudsman, 210, 216
- Operation Safe Centres, 6
- Operation Sovereign Borders, 4–5, 98, 104
- Operational Requirements Group, 202, 204
- Operational Tasking and Coordination Group, 202, 204
- organisational structure, 12–18
- Outcome 1
 - financial resources summary, 264–7
 - financial resources summary 2015–16 corrections, 258, 259–60
 - performance statements *see* Strategic Performance Measures analysis and results
- Outcome 2
 - financial resources summary, 264–5, 268–9
 - financial resources summary 2015–16 corrections, 258, 261
 - performance statements *see* Strategic Performance Measures analysis and results
- Outcome 3
 - financial resources summary, 264–5, 270–1
 - financial resources summary 2015–16 corrections, 258, 262
 - performance statements *see* Strategic Performance Measures analysis and results
- outcome and program structure, 22–3, 27
- Outgoing Passenger Card, 6
- outlaw motorcycle gangs, 8
- Outram, Michael, 197
- overseas posts management arrangements, 223

P

- Pacific Immigration Directors
 - Conference, 104
- Pacific Maritime Domain
 - Awareness Workshop, 104–5
- Papua New Guinea, 5, 106, 107–8, 110
- parliamentary committee reports, 215
- partnerships
 - partner agencies, 28
 - performance statements, 52–7
 - see also* stakeholder consultation
 - and engagement
- passenger movement charges
 - see* revenue collection
- passenger movements *see* arrivals
 - and departures
- passenger name record data, 209
- patrol activities, 98–103, 256
- people smuggling, 5, 98, 104
 - see also* illegal maritime arrivals
- People Strategy 2020*, 229
- performance
 - environmental, 248–51
 - financial performance summary, 116–19
 - review by Secretary and Commissioner, 2–9
 - snapshots, 29, 59, 87
 - statements *see under* Purposes
 - see also* service standards
- performance pay, 236
- permanent residence pathway for
 - New Zealand citizens, 64
- Perth Immigration Residential Housing, 6
- Plaintiffs M96A & Anor v Commonwealth & Anor [2017] HCA 16*, 216
- plans and planning
 - business plans, 205
 - fraud control, 207
 - leadership plan, 230
- Portfolio Budget Statements
 - outcomes and programs, 27
- Programme performance
 - statements *see under* Purposes
- Programmes and performance
 - measures map, 23
- privacy assessments (OAIC), 209
- procurement, 242–7
- Productivity Commission Inquiry Report
 - on Migrant Intake into Australia, 31, 60
- programmes
 - performance statements
 - see under* Purposes
 - structure, 23, 27
- prosecutions, 95
- Protected Industrial Action, 233
- protection of children *see* children
- protection visas, 72–3, 219
- psychosocial injuries in the workplace, 238
- Public Governance, Performance, and Accountability Act 2013*,
 - iii, 22, 201, 206, 242
 - notification requirements, 208
 - statement by accountable authority
 - concerning annual performance statements, 26
- Public Service Act 1999*
 - determinations, 233, 234, 235–6
- purchaser-provider arrangements, 223
- purchasing, 242–7
- Purpose 1: Manage the movement
 - of people and goods to contribute
 - to a strong economy, 11, 205
 - performance criteria, 27
 - performance snapshot, 29
 - performance summary, 28
 - Strategic Performance Measures analysis
 - and results, 30–5, 38–41, 44–9, 52–5
- Strategic Performance Measures
 - case studies, 36, 42, 50, 56

Purpose 2: Manage the movement and stay of people to contribute to a cohesive society, 11, 205
 performance criteria, 58
 performance snapshot, 59
 performance summary, 58
 Strategic Performance Measures analysis and results, 60–3, 66–9, 72–5, 78–83
 Strategic Performance Measures case studies, 64, 70, 76, 84

Purpose 3: Manage the border to contribute to a safer, secure Australia, 11, 205
 performance criteria, 86
 performance snapshot, 87
 performance summary, 86
 Strategic Performance Measures analysis and results, 88–95, 98–101, 104–11
 Strategic Performance Measures case studies, 96, 102, 112

R

RAND report, 213
 recruitment, 232
 red tape reduction, 30
 refugee resettlement, 3, 107–11
 country resettlement rankings, 72, 75
 performance statements, 72–7
 Syrian and Iraqi refugees, 3, 72, 75, 76, 255
 regional capacity building, 73, 75, 106–9
 Regional Cooperation Arrangement (Indonesia), 107
 Regional Cooperation Agreement on Combatting Piracy and Armed Robbery against Ships in Asia, 104
 Regional Illicit Tobacco Enforcement Package, 105–6
 regional processing arrangements, 5, 107–8, 110
 Regional Skills Development Programme, 106
 regulatory activities for visa programmes
 see under visa programmes

rehabilitation management, 238
 remuneration
 classification levels and salary rates, 233–4, 272–5
 SES, 234
 Republic of Nauru *see* Nauru
 resettlement of refugees *see* refugee resettlement
 resource statement (DIBP), 264–71
 revenue collection, 257
 performance statements, 38–41
 reviews and reports *see* external scrutiny
 risk assessment of travellers, 7, 88
 Risk Committee, 202, 204, 206
 risk management, 206
 role and functions
 ABF, 10
 department, 10–11, 19
 Royal Commission into Institutional Responses to Child Sexual Abuse, 212

S

- Safe Haven Enterprise visas (SHEVs), 73
- salaries *see* remuneration
- sea passengers *see* arrivals and departures
- Secretary
 - remuneration, 233
 - role, 201
 - Secretary's and Commissioner's review, 2–9
- section 24 of the PS Act, 233, 234, 235–6
- self-service *see* digital services
- Senior Executive Service
 - development strategy, 230
 - headcount and gender, 227
 - leadership conversations, 208
 - remuneration, 234
- senior executives, 197–200
- senior management committees, 199–204
- service centres, 221
 - client contact statistics, 257
- service delivery partners, 223
- service-level agreements with other agencies, 223 *see also* memoranda of understanding
- service standards, 222
- ship arrivals and departures
 - cruise ships clearance processes, 6
 - statistics, 255
- Short Term Skilled Occupation List, 31
- significant days, 232
- Simplified Student Visa Framework, 3–4, 30
- Skill stream, 4, 31, 33
 - employment rate of migrants, 35
 - places, 31, 33, 254
- Skilled Migration Officials Group, 53
- skilled occupations lists, 31, 53
- small business participation
 - in procurement, 242–3
- SmartGates, 6, 44, 50
 - clearances, 255
- social cohesion, 58–64
- Sovereign Borders *see* Operation Sovereign Borders
- Special Category (subclass 444) visa, 254
- Special Eligibility stream, 31, 254
- Special Humanitarian Programme, 72
 - see also* humanitarian and refugee programmes
- Sri Lanka, 73, 106, 112
- staff, 257
 - employment arrangements, 233
 - leadership programmes, 208, 230
 - location, 227
 - non-salary benefits, 237
 - performance pay, 236–7
 - recruitment, 232
 - salaries, 233–4, 272–5
 - statistics, 225–7, 257
 - talent management, 228, 229
 - training and development, 208, 228, 230
 - unscheduled absences, 241
 - work health and safety, 238–41
 - workforce diversity, 231, 232
 - workforce planning, 228, 229
- stakeholder consultation and engagement, 52–5, 66–7 *see also* collaboration; international engagement
- Statement of Commitment, 231
- statistics (years at a glance), 254–7
- Status Resolution Programme, 78 *see also* immigration status resolution
- Strategic Assurance Programme, 206
- Strategic Command Group, 202, 204
- Strategic Performance Measures
 - mapped to PBS outcome and programmes, 23

Strategic Performance Measures

analysis and results

SPM 1.1: Australia's visa programmes are responsive to the needs of the economy, 30–6

SPM 1.2: The collection of border revenue is managed and enhanced, 38–43

SPM 1.3: Seamless border management facilitates the flow of legitimate travellers and goods, 44–51

SPM 1.4: Effective partnerships both within and outside Australia build a strong economy, 52–7

SPM 2.1: Australia's visa programmes provide a strong foundation for social cohesion, 60–5

SPM 2.2: Australian citizenship is valued, 66–71

SPM 2.3: Australia contributes to the global management of refugees and displaced populations, 72–7

SPM 2.4: The integrity of visa programmes is strengthened by effective regulatory and enforcement activities, 78–85

SPM 3.1: Threats are detected before, at and after the border, 88–97

SPM 3.2: The border is strengthened through the control and surveillance of the maritime domain, 98–103

SPM 3.3: Collaboration with partners within and outside Australia improves border security, 104–13

Strategic Tasking and Coordination Group *see* Operational Tasking and Coordination Group

Strategy 2020, 205

Streamline Services Project, 221

Strongim Gavman Program, 107

student visa programme growth, 36

student visas, 3–4, 30, 36, 254

statistics, 30, 34

Sydney Service Centre, 221, 222

Syrian refugees, 3, 72, 75, 76, 255

T

talent management, 228, 229, 230

Tamil Nadu, 73

Taskforce Cadena, 8

Telecommunications (Interception and Access) Act 1979, 210

Temporary Activity visa programme, 61, 219

temporary protection visas (TPVs), 5, 73–4

Temporary Skills Shortage visa, 31

temporary visa programmes, 2, 30, 33–4, 60–1
compliance with, 78, 83, 95

temporary visas granted, 60, 63, 254

Temporary Work (Skilled)

(subclass 457) visas, 30–1, 34, 53, 254

TIS National services, 220–1, 222, 257

Torres Strait Marine Capability, 4

Tourism Visa Advisory Group, 52

trade and customs *see* border management;
cargo; exports; imports; revenue collection

trafficking in persons *see* people smuggling

training and development (staff), 208

translating and interpreting services,
220–1, 222, 257

turtles, 99

U

- unaccompanied minors, 80
- undeclared currency, 89
- United Nations High Commissioner for Refugees
 - country resettlement rankings, 72, 75
- United States refugee resettlement arrangement, 107
- unlawful non-citizens
 - location and departures, 8, 78, 83, 256
 - performance statements, 82
- unscheduled absence management, 241

V

- vessel risk assessment, 92
- vessels operated by ABF, 4, 98–100, 102–3
- Villawood Immigration Detention Facility, 251
- visa applications
 - application process, 219
 - health screening, 35
 - police clearances, 61
 - risk assessment of travellers, 7, 88
 - service standards, 33–4
 - see also and names of specific visas*
- visa cancellations and refusals, 8, 32, 73, 78–9, 88, 95, 256
- visa entitlement verification (VEVO) online system, 79, 81
- visa programmes, 3–4
 - compliance with, 78, 79, 83, 89–90, 95
 - contribution to the economy (performance statements), 30–7
 - integrity, 7–8, 73–4, 78–85
 - service standards, 33–5
 - social cohesion (performance statements), 60–5
- visas granted, 34, 60, 61, 254
- visitor programme, 4, 30, 34
- Visitor (subclass 600) visa, 4, 219, 254

W

- websites
 - address, *inside front cover*
 - client experience research, 218
- Wickham Point Detention Centre, 6
- work health and safety, 238–41
- Work Health and Safety Act 2011*
 - due diligence framework, 238
- workers' compensation, 239–41
- workforce *see* staff
- working holiday makers, 254
- World Customs Organization, 105–6

Z

- Zakharoff, Kaylene, 199

