



Australian Government

Department of Immigration  
and Border Protection

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# DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION

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Annual Report 2015–16

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# DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION

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Annual Report 2015–16

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## CONTACT OFFICER

Requests for information about this report should be directed to:

Annual Report Coordinator  
Governance and Evaluation Branch  
Department of Immigration and Border Protection  
PO Box 25  
BELCONNEN ACT 2616  
Phone: (02) 6264 1111

Email: [annual\\_report@border.gov.au](mailto:annual_report@border.gov.au)

Website: [www.border.gov.au](http://www.border.gov.au)

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**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 2015–16* as 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 principles outlined in the Australian National Audit Office's *Better Practice Guide on Fraud Control in Australian Government Entities, 2011* (Better Practice Guide).

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.

In accordance with the Better Practice Guide, I have instigated a review of the current fraud control and anti-corruption plan in order to improve the Department's capacity to address emerging risks and issues in our complex operating environment. I expect a revised plan to be in place for the Department by the end of 2016.

Yours sincerely

**Michael Pezzullo**  
Secretary  
15 September 2016

**Roman Quaedvlieg APM**  
Australian Border Force Commissioner  
12 September 2016

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# READER'S GUIDE

The Department of Immigration and Border Protection Annual Report 2015–16 has been prepared in accordance with the Department of Finance's *Resource Management Guide No. 135, Annual reports for non-corporate Commonwealth entities*, issued on 2 May 2016.

This report is divided into eight parts.

## PART 1:

### REVIEWS BY THE SECRETARY AND ABF COMMISSIONER

This part summarises the Department of Immigration and Border Protection's (the Department or DIBP) significant issues and developments, performance and financial results during the year, by the Secretary and the Australian Border Force Commissioner.

## PART 2:

### OVERVIEW

This part provides an overview of the Department, including its role, functions, organisational structure, and outcome and programme structure.

## PART 3:

### ANNUAL PERFORMANCE STATEMENTS

This part reports on the Department's results against performance criteria as outlined in the Corporate Plan 2015–19, Portfolio Budget Statements 2015–16 and the Portfolio Additional Estimates Statements 2015–16 and provides an analysis of the factors that contributed to its performance.

## PART 4:

### REPORT ON FINANCIAL PERFORMANCE

This part contains a discussion and analysis of the Department's financial performance.

## 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. This part also includes information about workplace health and safety, small business, procurement initiatives, advertising and market research, ecologically sustainable development and environmental performance, and grants programmes.

## PART 6:

### FINANCIAL STATEMENTS

This part contains the Department's audited financial statements and a report by the Auditor-General.

## PART 7:

### APPENDICES

This part provides supplementary information, such as employee classifications and salary rates, legal services, freedom of information and citizenship statistics.

## PART 8:

### REFERENCE MATERIAL

This part comprises a glossary, list of abbreviations and acronyms, compliance index and an alphabetical index.



# INTRODUCTION

## PART 1

The Department is a global organisation with just over 14,200 people working in offices in every Australian state and territory and in 53 locations around the globe. The Department's role is to protect our border and to manage the movement of people and goods across it.

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# SECRETARY'S REVIEW

This is the first annual report for the new Department of Immigration and Border Protection—and within it, the Australian Border Force—which commenced operating on 1 July 2015.

The new Department brings together the former Immigration Department and Australian Customs and Border Protection Service with a clear mission and purpose: **to protect Australia's border and manage the movement of people and goods across it.** That mission reflects escalating volumes of people and goods moving internationally and the need to manage challenges and capitalise on opportunities. Charged with overseeing the flow of people and goods to and from our nation, we hold a privileged place at the border. The Department is Australia's trusted global gateway.

The new Department brings together the former Immigration Department and Australian Customs and Border Protection Service with a clear mission and purpose: to protect Australia's border and manage the movement of people and goods across it.

The Department helps promote and advance Australia's **economic prosperity** and **social cohesion** by facilitating trade, travel and migration. We strive to provide a less intrusive, more seamless and faster process for the bulk of travellers and traders—the legitimate, law-abiding majority. We also support Australia's **national security** and the **safety of our community**—detecting and intercepting those seeking to exploit and illegally circumvent our border. Strong borders are essential to manage migration, travel and trade in an orderly manner, which in turn promotes more open global economic linkages, social cohesion and trust.



Under the new Department, as Secretary, I work closely with my colleague Roman Quaadvlieg—the Commissioner of the Australian Border Force (ABF), who is also the Comptroller-General of Customs. We operate as a diarchy. While I am responsible for the administration and policy aspects of the Department, the Commissioner manages our operational activities.

This annual report outlines many of our integration accomplishments in detail. We have achieved a great deal in a comparatively short amount of time, and most importantly, we have been able to do these things in conjunction with an outstanding level of service delivery and operational performance, as the statistics in this report demonstrate.

The 2015–16 year was characterised by transformational change.

We focused on further increasing the **professionalism** of the Department, as well as investing in its **professionalisation** at the structural, functional and workforce levels.

We bolstered our senior executive cohort to combine significant experience from the former Immigration Department and Customs Service, supplemented by new specialised expertise. During the past year, we implemented new training and development opportunities to support blended teams and staff development. This included delivering more than 1500 staff career coaching sessions; initiating an EL capability review; and establishing new leadership programmes for all staff. We also introduced new integrity and security measures to protect our workforce from the threats of our operating environment.

At a strategic level, we developed new corporate, policy and operational strategies—*Strategy 2020*, the *Corporate Plan 2015–19*, *ABF 2020* and *People Strategy 2020*—which are guiding our organisation and workforce into the future.

In 2015–16 we enhanced our collaboration with domestic, regional and global partners at the policy and operational levels, including the sharing of information. Moreover, we reinvigorated our engagement with industry and launched two strategies: *Trade, Customs and Traveller* and *Migration and Mobility*. Such outreach endeavours reflect our appreciation that, in the 21st century, collaboration and joint ventures are essential to identify innovative approaches to better manage the border continuum.

Significantly, we professionalised a number of our functions and consolidated data holdings to enhance referrals and improve risk identification.

We have increasingly adopted an intelligence-informed and risk-based approach to managing the border continuum and in December 2015, an independent intelligence capability review—the Irvine Review—was completed; we are now progressing the resulting recommendations. We also established the Border Intelligence Fusion Centre, which provides portfolio-wide 24/7 support to real-time operational decision-making. Moreover, we made significant inroads towards redesigning and transforming our visa and citizenship business processes, both in terms of the services we offer clients and in improvements to our decision-making capabilities. Much of this stemmed from the Client Services Decision Support Review and its recommendations.

In 2015–16 we granted more than 7.7 million temporary visas; achieved records in our processing of sea and air travellers and detections of illicit substances at our border; improved our counter-terrorism operations and those targeting outlaw motorcycle gangs; and reduced the numbers of people, including children, in our onshore held detention facilities. Moreover, we continued to welcome new Australians through conferral of citizenship, preserved the quality of our permanent Migration and Humanitarian Programmes, and maintained the integrity of our maritime border. The Department also continued to make good progress towards resettling refugees displaced by the conflicts in Syria and Iraq.

Our financial performance for 2015–16 continued to be strong. After adjusting for unfunded depreciation and amortisation expenses, our operating result was a deficit of \$21.7 million.

This result was attributable to changes in the Government bond rates and the corresponding increases to the Department’s employee provisions and labour expenses of \$22.3 million. If not for this adjustment the Department would have finished the year on budget, which is an outstanding result given the operational pressures facing the organisation throughout the year.

The Department continued its strong commitment to the Government’s Regulatory Reform Agenda, reducing red tape on businesses, community groups and individuals by \$48.5 million over the reporting period.

Thanks to the dedication, professionalism, resilience and diligence of our staff, we were able to effectively manage the border in the face of escalating trade and traveller volumes.



MICHAEL PEZZULLO  
SECRETARY  
DEPARTMENT OF IMMIGRATION AND  
BORDER PROTECTION

# COMMISSIONER'S REVIEW

As its inaugural Commissioner, it has been an honour to oversee the formation of the Australian Border Force (ABF) and to manage the integrated Department of Immigration and Border Protection's operational functions in its first year.

The ABF combines the operational functions of the former Australian Customs and Border Protection Service, and immigration detention and compliance functions of the former Department of Immigration and Border Protection. It is Australia's customs service. Our activities include border clearances, customs and visa compliance, maritime surveillance and response, anti-people-smuggling operations including Operation Sovereign Borders, revenue collection, investigations and detention management.

We **facilitate** the seamless movement of legitimate trade and travellers across

The ABF combines the operational functions of the former Australian Customs and Border Protection Service, and immigration detention and compliance functions of the former Department of Immigration and Border Protection. It is Australia's customs service.

our border; and we undertake **enforcement and compliance** activities to target and intercept illegal and criminal activity to ensure the border is secure.

The ABF comprises personnel who are uniformed and non-uniformed, sworn and non-sworn—many of whom have frontline roles at our airports, seaports and on water, and consequently engage with the public. ABF sworn officers have a range of enforcement powers commensurate with other law enforcement agencies. As the Department's operational arm, ABF officers are fully integrated and work collaboratively with departmental staff as part of blended teams. Through the ABF College, we have established a centralised recruitment and training function, which is bolstering our workforce capabilities for the immediate future.



In its first year, a focus for the ABF was enhancing the professionalisation of our investigation, compliance and detention functions. This is in recognition of the increasing role of the ABF in the whole-of-government law enforcement and intelligence community architecture. Reflective of this role, we have increased cooperation with state, federal and international law enforcement and national security counterparts, with ABF officers embedded in multiple joint agency operations.

Our inaugural year has seen significant operational successes. This year, the ABF made a significant impact towards impeding Organised Criminal Groups (OCG), including record numbers of detections of illicit drugs at the border. As part of the National Anti-Outlaw Motorcycle Gangs Strategy, working with our departmental colleagues,

ABF efforts ensured that more than 100 non-citizen outlaw motorcycle gang members, associates or organised crime identities had their visas cancelled or refused on character grounds or under the *Migration Act 1958*. Moreover, through Operation Wardite—which continued from the previous financial year—the ABF made the largest-ever seizure of illicit tobacco in a single operation. Similarly, by detecting methamphetamines at our border, the ABF continued to play a key role in supporting national efforts to reduce the prevalence of ice use in the Australian community. Additionally, ABF Counter-Terrorism Unit (CTU) teams now operate in Australia’s eight major international airports, completing patrols, assessments and interventions. This initiative helps support whole-of-government efforts to intercept individuals travelling from Australia to unlawfully participate in foreign conflicts, and manage those seeking to return to Australia from these arenas.

With regard to immigration compliance and enforcement, the ABF continued to target unlawful non-citizens and addressed visa non-compliance at a systemic level. Working closely with the Fair Work Ombudsman as part of Taskforce Cadena, the ABF targeted sectors involved in organising visa fraud, illegal work and the exploitation of foreign workers in Australia. This included the inquiry into non-compliance within the 7-Eleven franchise. From a customs compliance perspective, Operation Feronia resulted in greater industry awareness of the risks of asbestos contained in children's toy imports and the associated detection of more than 307,000 crayons containing traces of asbestos.

The ABF maintained the sovereignty of Australia's maritime border through its leadership of the Joint Agency Task Force, Operation Sovereign Borders. Operation Sovereign Borders' continued success ensured that no people smuggling ventures reached Australia during 2015-16. Furthermore, as a result of collaboration between the ABF's Maritime Border Command and the Australian Fisheries Management Authority (AFMA), illegal, unregulated and unreported fishing in the Southern Ocean dropped to the lowest level since 1995.

The ABF also supports Australia's economic and social prosperity by facilitating the movement of legitimate goods and people across the border.

In 2015–16, we implemented the Australian Trusted Trader (ATT) programme—which bolsters trade facilitation and security through incentivising industry self-compliance. Following the success of this 12-month pilot, the ATT programme went live on 1 July 2016. The ABF also participated in joint validation activities in New Zealand that contributed to and helped inform the development of Australia’s first Mutual Recognition Agreement with New Zealand—an important trade facilitation initiative.

Within the traveller environment, the continued rollout of SmartGates at international airports provided a less intrusive and faster border processing experience for low-risk travellers. We witnessed a record high Christmas period, facilitating over seven million arrivals and departures through our international airports during December and January. Over the financial year, the ABF processed more than 40 million international air and sea travellers, over 87 per cent of whom were cleared within 30 minutes.

Australia’s detention environment also improved markedly over the past year. Through a command and control model and the establishment of detention superintendents, we improved the alignment of detention operations with the management of facilities. The implementation of a national evidence and risk-based placement model has provided a consistent and rigorous approach to detainee placement, one that considers the needs and welfare of those in our care. Not only have we enhanced training for our officers, they are also working directly with detention service providers and independent advisory bodies. Significantly, the new model has resulted in a reduction in incidents. This year, we reduced the number of children in onshore held detention to zero.

Finally, this year we launched *ABF 2020* to outline the challenges of our external environment, our vision for the future, and how we will get there.



ROMAN QUAEDVLIEG

AUSTRALIAN BORDER FORCE  
COMMISSIONER



# OVERVIEW

## PART 2

The Department of Immigration and Border Protection and the Australian Customs and Border Protection Service were consolidated into a single Department on 1 July 2015, which included a single frontline operational entity, the Australian Border Force, established within the Department.

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# DEPARTMENT OVERVIEW

At 30 June 2016 the Department of Immigration and Border Protection (the Department or DIBP) had two Ministers: the Hon Peter Dutton MP, Minister for Immigration and Border Protection, and Senator the Hon James McGrath, Assistant Minister for Immigration.

The Department of Immigration and Border Protection (DIBP) and the Australian Customs and Border Protection Service (ACBPS) were consolidated into a single Department on 1 July 2015, which included a single frontline operational entity, the Australian Border Force (ABF), established within the Department.

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## OUR ROLE

The Department is a global organisation with just over 14,200 people working in offices in every Australian state and territory and in 53 locations around the globe. The Department's role is to protect our border and to manage the movement of people and goods across it.

That role is critical to preserving Australia's sovereignty and national security. Its broad remit touches many parts of Australian life—industry and commerce, national security, protection of the community, enforcement

of the law, security of Australia's offshore maritime resources and environment, and collection of revenue.

Our vision is to be the gateway between Australia and the world, facilitating trade, travel and migration while protecting Australia from threats to the border. In everything we do, we must uphold the trust of the Australian people and Government that stems from the privileged place we hold at the border and in the community.

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## OUR FUNCTIONS

The Department is responsible for immigration and customs border policy. We are the conduit through which legitimate travellers, temporary and permanent migrants, and goods can pass, and we are also able to close the gate against those who intend to circumvent our border controls.

We manage the Migration Programme, the Humanitarian Programme, Australian citizenship, trade and customs, offshore maritime security and revenue collection.

Our operational enforcement arm, the ABF, is responsible for investigations, compliance and immigration detention operations across our air and seaports and land and maritime domains. The ABF delivers on local, regional, national, and international border protection, law enforcement and national security priorities.

An overview of each of our functions can be found in Part 3 of this report, Annual Performance Statements.

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## LEGISLATION

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

- *Aliens Act Repeal Act 1984* (repealed on 10 December 2015)
- *Australian Border Force Act 2015*
- *Australian Citizenship Act 2007*
- *Australian Citizenship (Transitionals and Consequentials) 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 (Tariff Concession System Validations) Act 1999*
- *Customs Undertakings (Penalties) Act 1981*
- *Immigration (Guardianship of Children) Act 1946*
- *Import Processing Charges Act 2001*
- *Import Processing Charges (Amendment and Repeal) Act 2002*
- *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*
- *Passenger Movement Charge Act 1978*
- *Passenger Movement Charge Collection Act 1978*.

Thirteen Bills were introduced to the Australian Parliament during 2015–16. In that period, nine Portfolio Bills passed both Houses of Parliament and became Acts upon Royal Assent being given. Two of those Acts were introduced in the previous year. Further, 16 Amendment Regulations and 102 additional legislative instruments were made.

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

# DEPARTMENTAL OFFICE AND POST LOCATIONS

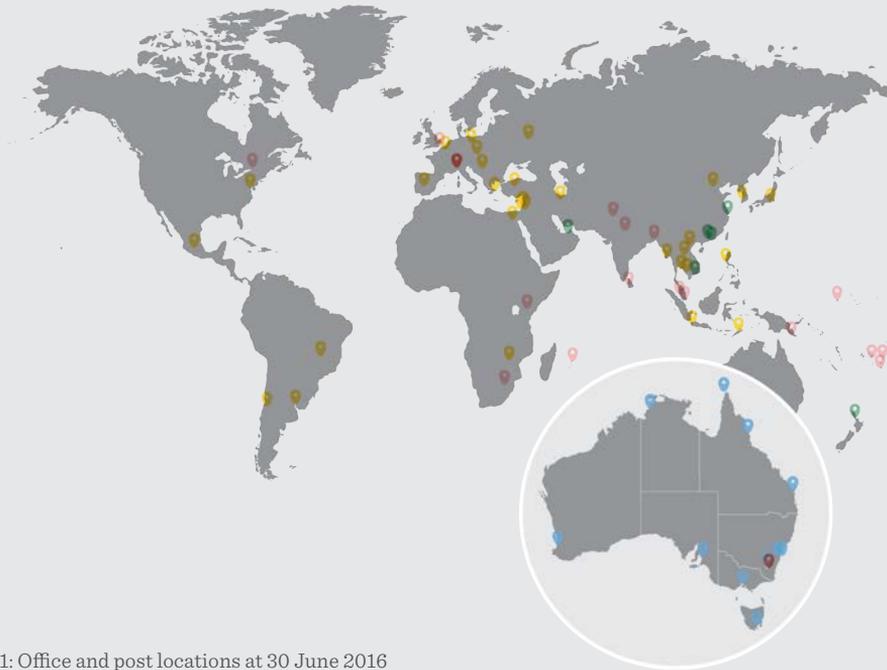


Figure 1: Office and post locations at 30 June 2016

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

# ORGANISATIONAL STRUCTURE

Figure 2: Organisational structure at 30 June 2016

Department of Immigration and Border Protection							
Secretary Michael Pezzullo					Commissioner Roman Quaedvlieg		
Group	Strategic Reform	Policy	Corporate	Intelligence and Capability	Visa and Citizenship Services	Support	Operations
Division	Portfolio Change and Reform	Executive	Corporate Services	Intelligence	Visa and Citizenship Management	Border Management	Maritime Border Command
		Strategic Policy and Planning	People	ICT	Refugee and Humanitarian Visa Management	Border Force Capability	Strategic Border Command
		Immigration and Citizenship Policy	Finance	Major Capability	Community Protection	Children, Community and Settlement Services	Detention, Compliance and Removals
		Traveller, Customs and Industry Policy	Legal	Identity and Biometrics	Digital Transformation and Channels	Detention Services	Investigations
		International	Special Counsel		Visa Reform Taskforce		OSB JATF
			Integrity, Security & Assurance				
			Independent Health Adviser				
			Health Services & Policy				

### Strategic Reform

<b>Deputy Secretary</b> Jenet Connell	
FAS	<b>Portfolio Change &amp; Reform</b> Charlotte Tressler
AS	<b>Reform Communication &amp; Engagement</b> Mark Jeffries
	<b>Strategic Reform Programme Office</b> Audrey Gilrain
	<b>Reform Strategy</b> Catherine Seaberg

### Policy

<b>Deputy Secretary</b> Deputy Comptroller-General Rachel Noble PSM					
FAS	<b>Executive</b> Maree Bridger	<b>Strategic Policy &amp; Planning</b> Rachael Spalding	<b>Immigration &amp; Citizenship Policy</b> David Wilden	<b>Traveller, Customs &amp; Industry Policy</b> Linda Geddes	<b>International</b> Lachlan Colquhoun
AS	<b>Media and Executive Coordination</b> David Seale A/g	<b>Strategy</b> Ben Evans	<b>Community Protection &amp; Border Policy</b> Hamish Hansford	<b>Traveller Branch</b> John Gibbon	<b>Asia Branch</b> Robert McGregor
	<b>Ministerial, Parliamentary and Communication</b> Lisa Milin A/g	<b>Capability Development</b> Mary Jeffries	<b>Economic Policy</b> Susan Mathew A/g	<b>Trade &amp; Customs</b> Andrew Chandler	<b>Americas, Europe, Middle East &amp; Africa</b> Brendan Dowling
	<b>Governance and Evaluation</b> Agnieszka Holland	<b>Chief Economist Chief Statistician Policy, Research and Statistics</b> Jason Russo	<b>Humanitarian, Family &amp; Citizenship Policy</b> Alice Ling	<b>Trusted Trader &amp; Industry Engagement</b> Teresa Conolan	<b>Pacific &amp; Transnational Issues</b> David Ness
			<b>Planning, Design &amp; Assurance Branch</b> Michael Burke		
	<b>Minister Counsellor Geneva</b> Richard Johnson	<b>Minister Counsellor Asia</b> Chris Wall	<b>Regional Director East Asia</b> Michael Willard	<b>Regional Director Middle East &amp; Africa</b> John Moorhouse	<b>Regional Director South East Asia</b> Annette Keenan
	<b>Regional Director South Asia</b> Scott Matheson	<b>Regional Director Europe</b> Abi Bradshaw	<b>Regional Director Americas</b> Robert Hoitink	<b>Regional Director Mekong Region</b> Greg Kelly	<b>Commander South Pacific</b> Phil Brezzo

**Corporate**

**Deputy Secretary**  
Chief Operating Officer Dr Jill Charker

FAS	<b>Corporate Services</b> Ben Wright	<b>People</b> Murali Venugopal	<b>Finance Chief Finance Officer</b> Steven Groves	<b>Legal General Counsel</b> Pip de Veau	<b>Integrity, Security &amp; Assurance Chief Risk Officer Chief Audit Executive</b> Steve Hayward	<b>Health Services &amp; Policy Chief Medical Officer Surgeon General ABF</b> Dr John Brayley
	<b>Shared Services</b> Owen Lange A/g	<b>Learning and Development</b> Allison Denny-Collins	<b>External Budgets &amp; Revenue</b> Lisa Harris	<b>Legislation &amp; Framework</b> Greg Phillipson	<b>Integrity &amp; Professional Standards</b> Claire Pitham A/g	<b>Immigration Health Deputy Chief Medical Officer</b> Dr Paul Douglas
SAS	<b>Property &amp; Commercial Services</b> Brad Clark	<b>People Strategy &amp; Policy</b> Ben Wyers	<b>Management Accounting</b> Stephanie Cargill	<b>Litigation Branch</b> Miriam Moore	<b>Security</b> David Whitfield	<b>Health Services</b> Leonie Nowland
	<b>Information Management</b> Neil Phillips A/g	<b>Workforce Management</b> Anne Leo	<b>Financial Operations</b> Sam Hatherly	<b>Commercial &amp; Employment Law</b> Alicia Wright	<b>Risk &amp; Assurance</b> Lisa-Ann Howgego	
	<b>Corporate Reform Taskforce</b> Paul Farrell	<b>HR Capability Programme</b> Vidoshi Jana A/g	<b>Procurement &amp; Contracts</b> Ian Laverock	<b>Legal Advice &amp; Operational Support</b> Steve McGlynn	<b>Detention Assurance</b> Justine Jones A/g	
		<b>Enterprise Agreement Taskforce</b> David Leonard				
				<b>Special Counsel</b> Ian Deane PSM		<b>Independent Health Adviser</b> Dr Paul Alexander

## Intelligence and Capability

Deputy Secretary Maria Fernandez				
FAS	<b>Intelligence</b> Cameron Ashe	<b>ICT Chief Information Officer</b> Randall Brugeaud	<b>Major Capability</b> Michael Milford AM	<b>Identity and Biometrics</b> Joe Franzi
AS	<b>Intelligence Assessments</b> Brett Marshall	<b>ICT Plans</b> Mark Sawade	<b>Capability &amp; Coordination</b> Rhys Goodwin	<b>Enterprise Biometrics</b> Paul Cross
	<b>Intelligence Production (Goods)</b> Dominique Poidevin	<b>Border Systems</b> Anthony Warnock	<b>Intelligence, Identity &amp; Biometrics Capability</b> Thomas Bryan	<b>Enterprise Identity</b> Michael Minns
	<b>Intelligence Production (People)</b> Adam Meyer	<b>ICT Service &amp; Vendor Management</b> Duane Stokes	<b>Future Capability</b> Michael Cristiano	
	<b>Intelligence Development</b> Jeff Carige	<b>Corporate Systems</b> Tim Drury	<b>Operational Capability</b> Anthony Corbitt	
	<b>Border Intelligence Fusion Centre</b> Lynn Moore	<b>ICT Infrastructure Operations</b> Sean Hugo	<b>Chief Scientist</b> Vacant	

## Visa and Citizenship Services

Deputy Secretary Michael Manthorpe PSM					
FAS	<b>Visa &amp; Citizenship Management</b> Christine Dacey A/g	<b>Refugee &amp; Humanitarian Visa Management</b> Libby Hampton A/g	<b>Community Protection</b> Kaylene Zakharoff	<b>Digital Transformation &amp; Channels</b> Phil Thurbon	<b>Visa Reform Taskforce</b> Peta Dunn
AS	<b>Permanent Visa &amp; Citizenship Programme</b> Frances Finney	<b>Refugee and Humanitarian Programme</b> Steven Karras A/g	<b>Status Resolution</b> Dora Chin-Tan	<b>Digital Business Strategies</b> James Peterswald	<b>Visa Reform Implementation</b> Tara Cavanagh
	<b>Temporary Visa Programme</b> Judith O'Neill	<b>Temporary Protection Visa Assessment</b> Sally Babbage	<b>Character Assessment and Cancellations</b> Fiona Andrew	<b>Channel Strategies and Management</b> Louise Smith	
	<b>Network Planning &amp; Support</b> Tania Wilson A/g	<b>Onshore Protection</b> Lynne Gillam (desig) Miranda Lauman A/g	<b>Caseload Assurance</b> Peter Richards		
	<b>Regional Director NSW/ACT</b> Mary-Jane Jones	<b>Regional Director QLD</b> Steve Biddle	<b>Regional Director Central</b> Jane Sansom	<b>Regional Director VIC/TAS</b> Peter Van Vliet	<b>Regional Director West</b> Elizabeth Hoffman

## Support

<b>Deputy Commissioner</b> Cindy Briscoe				
Asst. Comm.	<b>Border Management</b> Jim Williams	<b>Border Force Capability</b> Pete Docwra	<b>Children, Community &amp; Settlement Services</b> Cheryl-anne Moy	<b>Detention Services</b> David Nockels
	<b>Operational Strategies</b> Bill Ries	<b>Air &amp; Marine</b> David Luhrs	<b>Community Support</b> Claire Roennfeldt	<b>Services Management</b> Amanda Little
Comm.	<b>Customs Compliance</b> Erin Dale	<b>ABF College</b> Terry Wall	<b>Community Operations</b> Karen Hacker A/g	<b>Detention Estate Management</b> Fatime Shyqyr
	<b>Immigration Compliance</b> Kylie Scholten	<b>ABF Change &amp; Career Management</b> Tiffany Blight	<b>Child Protection and Wellbeing</b> Garfield Prowse	<b>Services Procurement Taskforce</b> Lee-anne Monterosso A/g
		<b>ABF Strategic Project Management Taskforce</b> Craig Sommerville		

## Operations

<b>Deputy Commissioner</b> Michael Outram APM					
Asst. Comm.	<b>Commander Maritime Border Command</b> RADM Peter Laver RAN	<b>Strategic Border Command</b> Clive Murray	<b>Detention, Compliance &amp; Removals</b> Kingsley Woodford-Smith	<b>Investigations</b> Wayne Buchhorn	<b>Commander OSB JATF</b> MAJGEN Andrew Bottrell, CSC DSM
	<b>Deputy Commander MBC</b> Stephen Alexander ABF	<b>Operations Branch</b> Mark Antill	<b>Detention Operations</b> Vanessa Holben A/g	<b>Support and Technical</b> Chris Waters	<b>Deputy Commander OSB</b> Jo Crooks
<b>Deputy Commander MBC</b> CDRE Brent Smyth RAN	<b>Field Compliance and Removals</b> Robyn Miller		<b>Immigration and Customs Enforcement</b> Anthony Seebach		
		<b>Offshore Operational Coordination</b> Vicki Ludwig A/g	<b>Organised Crime</b> Lesley Dalton A/g		
			<b>National Security</b> Don Smith		
	<b>Regional Commander NSW</b> Tim Fitzgerald	<b>Regional Commander VIC/TAS</b> James Watson	<b>Regional Commander QLD</b> Terry Price	<b>Regional Commander WA</b> Rod O'Donnell	<b>Regional Commander Central</b> Rachel Houghton

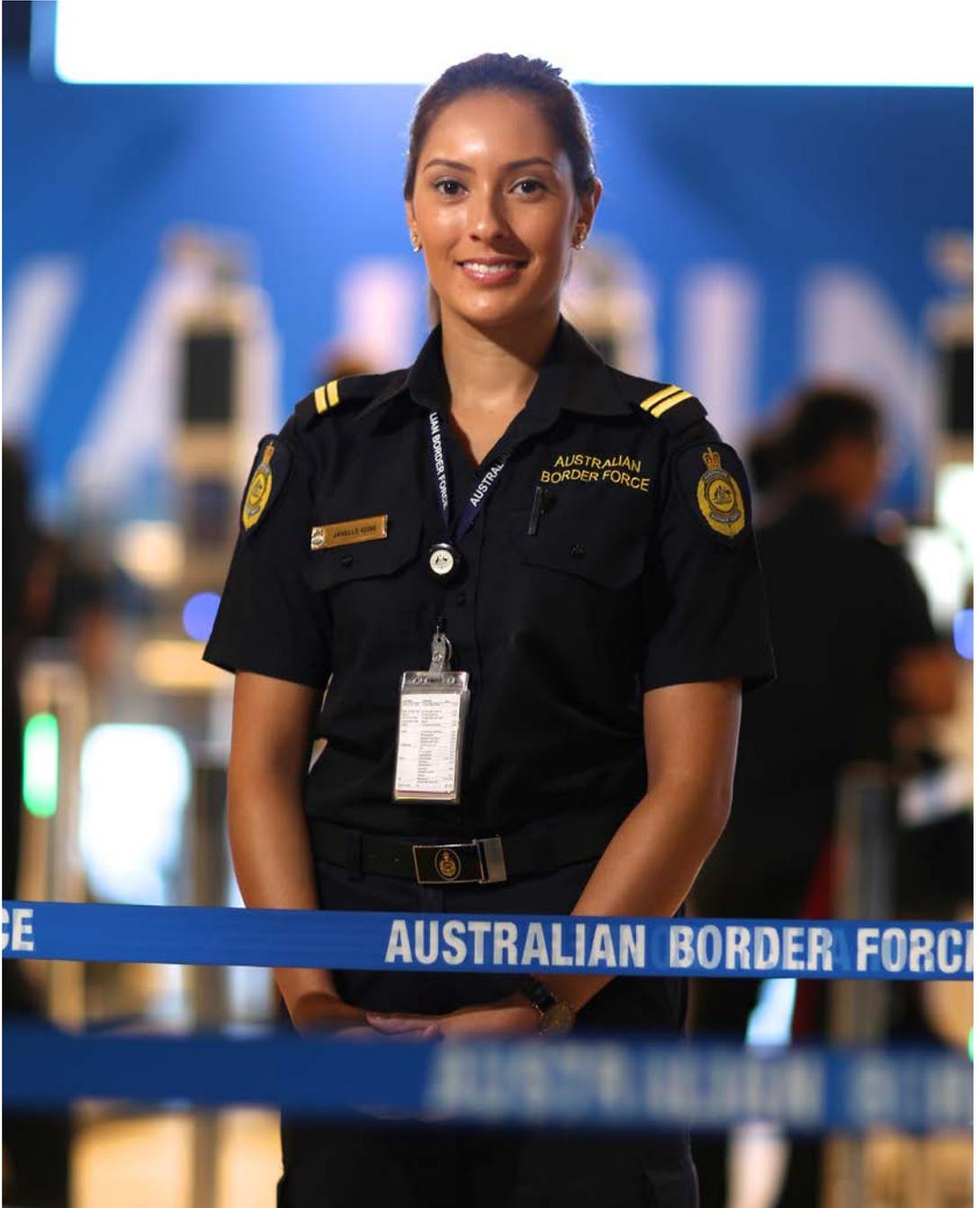
# OUTCOME AND PROGRAMME STRUCTURE

The Department measures its performance through three high-level outcomes and six broad functions to assess its impact. Figure 3 shows how the PBS outcomes and programmes map to the six *Corporate Plan 2015–19* functions.

Figure 3: Outcome and programme structure 2015–16

## Function Map

PBS Outcomes	PBS Programmes	Function
<b>Outcome 1</b> Protect Australia's sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.	<b>1.1: Border Enforcement</b> <span style="float: right;">● ● ●</span>	1. Facilitation and enforcement of trade and customs <span style="float: right;">●</span>
	<b>1.2: Border Management</b> <span style="float: right;">●</span>	
	<b>1.3: Compliance and Detention</b> <span style="float: right;">●</span>	2. Facilitation and enforcement of travel <span style="float: right;">●</span>
	<b>1.4: IMA Onshore Management</b> <span style="float: right;">●</span>	
	<b>1.5: IMA Offshore Management</b> <span style="float: right;">●</span>	3. Delivery of visitor, temporary resident, migration & citizenship programmes <span style="float: right;">●</span>
	<b>1.6: Regional Cooperation</b> <span style="float: right;">●</span>	
<b>Outcome 2</b> 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.	<b>2.1: Citizenship</b> <span style="float: right;">● ●</span>	4. Delivery of humanitarian and refugee programmes <span style="float: right;">●</span>
	<b>2.2: Migration</b> <span style="float: right;">● ●</span>	
	<b>2.3: Visas</b> <span style="float: right;">● ●</span>	5. Offshore maritime security <span style="float: right;">●</span>
	<b>2.4: Refugee and Humanitarian Assistance</b> <span style="float: right;">● ●</span>	
<b>Outcome 3</b> Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	<b>3.1: Border Revenue Collection</b> <span style="float: right;">●</span>	6. Revenue collection <span style="float: right;">●</span>
	<b>3.2: Trade Facilitation and Industry Engagement</b> <span style="float: right;">●</span>	



# ANNUAL PERFORMANCE STATEMENTS

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# 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, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) for the period 1 July 2015 to 30 June 2016.

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

15 September 2016

# FUNCTION 1: FACILITATION AND ENFORCEMENT OF TRADE AND CUSTOMS

**Impact:** A stronger Australian economy and national security through the facilitation of legitimate trade while reducing illicit trade

## OVERVIEW OF FUNCTION 1

This function involves the management of trade into and out of Australia, through the provision of policy, advice, processes and services to the Australian Government and traders. The Department of Immigration and Border Protection (the Department or DIBP) facilitates legitimate trade while remaining vigilant to attempts to circumvent trade regulations and processes, and maintaining the capability to intervene where and when needed. Key elements of the performance of the function include:

- advice on and implementation of key aspects of industry and trade policy, including tariffs, tariff concessions and anti-dumping and countervailing schemes
- co-regulation and partnership with traders and their agents, and collaboration with other agencies and jurisdictions
- leveraging information and technology to implement efficient and effective business processes and automated ICT solutions
- development and maintenance of agile, responsive operational staff, with the flexibility to respond quickly to change and major disruptions.

The Department supports the co-design of Australian trade and industry policies with strategic partners (including other government agencies) and industry in a way that minimises the impact on, and supports, legitimate trade. The Department also works with international and domestic partner agencies to identify and respond to threats and opportunities using an intelligence-led, risk-based approach for its intervention processes.

We support a wide range of functions of a number of central agencies as well as other partner agencies including: Department of Agriculture and Water Resources, Department of Communications and the Arts, Department of Defence, Department of Employment, Department of Environment, Department of Health, Department of Infrastructure and Regional Development, Australian Competition and Consumer Commission, Australian Criminal Intelligence Commission, Australian Fisheries Management Authority, Australian Maritime Safety Authority and the Therapeutic Goods Administration.

Footnotes provide additional information about the source of each criterion.

## CORPORATE PLAN PERFORMANCE

Function 1	2015–16 source	Result
<b>Facilitation and enforcement of trade and customs</b>		
<b>Criterion:</b> Effective co-design of Australian trade and industry policies with strategic partners and industry in a way that minimises the impact on and supports legitimate trade. <sup>1</sup>	Corporate Plan, PBS	<b>Met</b>
<p><b>Result:</b> In 2015–16 the Department co-designed a range of Australian trade and industry policies with other government agencies and industry. These policies supported legitimate trade, enhanced supply chain security and reduced the regulatory burden on industry.</p> <p>The Department, in partnership with industry, delivered a co-designed 12 month pilot Australian Trusted Trader (ATT) programme. This programme became fully operational from 1 July 2016. ATT is a voluntary accreditation programme that recognises secure and compliant industry supply chain practices, offering tailored trade facilitation benefits to accredited businesses.</p> <p>The Department is part of the joint agency taskforce coordinating the Australian Government Norfolk Island reform process, led by the Department of Infrastructure and Regional Development (DIRD). From 1 July 2016 Norfolk Island was integrated with mainland Australia. As a result, the Australian Government commenced delivering essential national functions such as immigration, customs and biosecurity in 2015–16. The Department worked effectively with DIRD, the Department of Agriculture and Water Resources and industry to ensure trade in goods could be facilitated under the new arrangements.</p>		
<b>Criterion:</b> Effective provision of expert advice, support and guidance material for industry to support import and export of legitimate goods. <sup>2</sup>	Corporate Plan, PBS	<b>Met</b>
<p><b>Result:</b> In 2015–16 the Department supported legitimate trade in goods (imports and exports) by providing timely and quality expert advice to industry on:</p> <ul style="list-style-type: none"> <li>• trade facilitation issues, such as origin, valuation, tariff classifications</li> <li>• regulated (for example prohibited and restricted) goods, such as asbestos, wildlife and consumer items.</li> </ul> <p>Clear and concise guidance material on trade facilitation issues was communicated to industry. For example, Department notices were made available on its website which advised:</p> <ul style="list-style-type: none"> <li>• changes to tariff classifications and statistical codes</li> <li>• a new border import control for signal jammers</li> <li>• new regulatory amendments required to give effect to free trade agreements (FTAs).</li> </ul> <p>The Department is developing an industry trade hub that will provide industry across all sectors with better access to information and advice and improve the Department's ability to 'push' information.</p>		

1 Criterion from Corporate Plan 2015–19, p. 30 and Programme 3.2 in the PBS 2015–16, p. 74. PBS criterion does not include the word 'Effective'.

2 Criterion from Corporate Plan 2015–19, p. 30 and Programme 3.2 in the PBS 2015–16, p. 74.

Function 1	2015–16	
Facilitation and enforcement of trade and customs	source	Result
<b>Criterion:</b> Satisfaction of partners and industry groups in relation to services provided in facilitation and enforcement. <sup>3</sup>	Corporate Plan	<b>Met</b>
<b>Result:</b> An independent industry stakeholder survey will be used to baseline performance in late 2016, identifying areas for continual improvement across policy, compliance and border operations. There is a range of stakeholder fora on immigration and trade matters that offer opportunities for partners and industry groups to provide feedback on agency performance. Feedback from industry has generally been positive, particularly with regard to increasing levels of communication and engagement.		
<b>Criterion:</b> Effective risk-based compliance activities to promote observance of Australian border laws as they relate to the movement of people and goods. <sup>4</sup>	Corporate Plan, PBS	<b>Met</b>
<b>Result:</b> Throughout 2015–16 the Department used a range of intelligence and border systems to identify border risks and non-compliant activities for the movement of people and goods. For example, we achieved more than 99 per cent compliance with visa stay conditions following use of the intelligence-based risk assessment.		
<b>Criterion:</b> Successful delivery of the Trusted Trader Programme pilot. <sup>5</sup>	Corporate Plan, PBS	<b>Met</b>
<b>Result:</b> The ATT pilot was completed at end June 2016 with 44 participating companies. Pilot industry participants provided feedback that ATT is a well-designed programme that has been successfully implemented. The programme received \$69.9 million for 2016–17 to 2019–20 with full implementation occurring from 1 July 2016.		
<b>Criterion:</b> Enhanced border management through the development, implementation, and/or maintenance of border capabilities (including business processes, systems, regulatory arrangements and intelligence), streamlining processes for legitimate trade and travel. <sup>6</sup>	Corporate Plan	<b>Met</b>
<b>Result:</b> The Department has dedicated considerable resources to enhancing border management processes to streamline legitimate trade and travel. Improvements include the: <ul style="list-style-type: none"> <li>• commencement of the ATT programme</li> <li>• completed rollout of SmartGates for travellers departing from Australia's eight international airports</li> <li>• upgrade of various frontline operational capabilities and refreshment of technologies, including upgraded X-ray and CCTV technology</li> <li>• greater investment in improving our officers' skills through the establishment of the Australian Border Force (ABF) College.</li> </ul> The Department has also committed itself to engaging effectively with the Australian public by undertaking educational campaign activities to improve how we facilitate legitimate trade and travel.		

3 Criterion from Corporate Plan 2015–19, p. 30.

4 Criterion from Corporate Plan 2015–19, p. 30 and Programme 1.2 in the PBS 2015–16, p. 48. PBS criterion also included the word 'undertake'.

5 Criterion from Corporate Plan 2015–19, p. 30 and Programme 3.2 in the PBS 2015–16, p. 74. This criterion was incorrectly missing the word 'pilot'.

6 Criterion from Corporate Plan 2015–19, p. 30.

Table 1:

## Corporate Plan performance criteria

### Function 1: Facilitation and enforcement of trade and customs

<b>Criterion:</b> Volume of cargo subject to inspection and examination. <sup>a</sup>	2014–15 Actual	2015–16 Target	2015–16 Actual	Result
<b>Sea cargo<sup>7</sup>:</b>				
Number of TEU inspected	101,273	101,500	96,637	<b>Not met</b>
Number of TEU examined <sup>b</sup>	15,581	15,500	12,738	<b>Not met</b>
<b>Air cargo<sup>8</sup>:</b>				
Number of consignments inspected <sup>b</sup>	2.02m	2.0m	1.96m	<b>Not met</b>
Number of consignments examined <sup>c</sup>	86,396	–	79,966	<b>n/a</b>
<b>Mail<sup>9</sup>:</b>				
Number of mail items inspected <sup>b,d,f</sup>	55.5m	50.0m	57.3m	<b>Met</b>
Number of mail items examined <sup>c,e</sup>	248,933	–	211,744	<b>n/a</b>
Proportion of customs broker, depot and warehouse licence applications processed in accordance with client service standards <sup>g,10</sup>	–	100%	– <sup>h</sup>	<b>n/a</b>

TEU = twenty-foot equivalent unit.

- a. All cargo is risk assessed.
- b. The increase in targets for the budget and forward years reflects the additional deliverables/appropriation for the *Portfolio Additional Estimates 2013–14* measure *Tackling Crime—increased cargo and mail screening at the border*.
- c. Performance cannot be forecast reliably.
- d. Inspection may include the use of technologies (including X-ray) and detector dogs.
- e. Examination means physically opened by departmental staff and ABF officers.
- f. The amalgamation of previous criterion (number of parcels / EMS / registered items inspected and number of letter-class mail items inspected) will enable a more flexible response to shifts in risk between mail classes and more effective management of increasing volumes.
- g. This criterion amalgamates the criteria that appear in both programmes 1.2 and 1.3, as they support both programmes.
- h. Performance results for this criterion are reported by licence type at Table 2.

7 Criterion from Corporate Plan 2015–19, p. 31 and Programme 1.1 in the PBS 2015–16, p. 44.

8 Criterion from Corporate Plan 2015–19, p. 31 and Programme 1.1 in the PBS 2015–16, p. 44.

9 Criterion from Corporate Plan 2015–19, p. 31 and Programme 1.1 in the PBS 2015–16, p. 44.

10 Criterion from Corporate Plan 2015–19, p. 31 and Programme 1.2 in the PBS 2015–16, p. 50.

## PORTFOLIO BUDGET STATEMENTS PERFORMANCE

Function 1 Facilitation and enforcement of trade and customs	Result
<p><b>Criterion:</b> Effective and efficient border management through the regulation and facilitation of legitimate trade, migration and travel through:</p> <ul style="list-style-type: none"> <li>• development and delivery of Portfolio strategy, legislation and policy, issuing broker, depot and warehouse licenses</li> <li>• work with partner agencies to influence and develop policy and regulatory models in relation to community protection and consumer safety</li> <li>• effective management of migration, traveller and cargo management processes and information systems</li> <li>• provision of migration, travel and import and export data and statistics.<sup>11</sup></li> </ul>	<b>Met</b>
<p><b>Result:</b> In 2015–16 the Department developed and implemented effective strategies, policies and legislative change to facilitate legitimate trade and travel before, at and after the border, while protecting Australia from threats to the border. This was supported by regulatory and compliance activities for trade. For example, the Department undertook development and delivery of legislation and policy for the Norfolk Island reform process. Norfolk Island was integrated with mainland Australia from 1 July 2016, with a modified version of the <i>Customs Act 1901</i> (NI) and associated regulations applied to Norfolk Island under the <i>Norfolk Island Customs Ordinance 2016</i>.</p> <p>Organisational strategies that address the objectives of <i>Strategy 2020</i> have been delivered and are being implemented. These strategies cover key aspects of border management, including counter-terrorism, identity, international engagement, law enforcement, information management, trade and compliance.</p> <p>In November 2015 the Department began a comprehensive public review into broker, depot and warehouse licensing regimes. It involved extensive collaboration with industry, peak bodies and other government agencies. Outcomes of the review will be used to ensure that the Department's management of Australia's border is effective and efficient.</p> <p>The Department continues to expand its use of self-processing technologies and its exploration of technological advancements to enhance border security and simplify border clearance processes.</p> <p>For example, the Department has installed departures SmartGates in Australia's major international airports, including Sydney, Melbourne, Brisbane and Darwin. Arrivals SmartGates are also available at these airports for use by travellers with ePassports from eight countries.</p> <p>In 2015–16 the Department successfully co-designed and implemented appropriate measures with partner agencies to protect Australians from dangerous goods and ensure consumer safety.</p> <p>In late March 2016 an external review into the Department's management of Australia's asbestos border control by KGH Border Services AB was completed. This review was announced by the Minister for Immigration and Border Protection on 26 February 2016. The report was provided to the Department in April 2016 and made public on 4 August 2016. The outcomes of the report will be used to ensure that the Department's management of Australia's asbestos border control reflects best practice.</p> <p>In April 2016 the Department implemented a 12-month pilot import data-sharing arrangement on certain building products with relevant state and territory regulators to inform their compliance and enforcement activities for non-conforming building products. This was an important cross-jurisdictional contribution to address safety concerns about these goods.</p> <p>The Department has governance systems in place that support the collection and analysis of migration, travel and import and export data. The results of this practice enable the Department to provide effective and efficient border management and also to identify areas for improvement.</p>	

<sup>11</sup> Deliverable from Programme 1.2 in the PBS 2015–16, p. 48 also included 'effective risk-based compliance activities to promote observance of Australian border laws as they relate to the movement of people and goods.' This is reported above as a separate Corporate Plan criterion.

**Function 1**

**Facilitation and enforcement of trade and customs**

Result

**Criterion:** Further develop and effectively manage strategies to deliver on government priorities.<sup>12</sup> **Met**

**Result:** Throughout 2015–16 the Department assessed its operational context and the effectiveness of current strategies against Government priorities. Departmental strategies have been reviewed, and updated or revised to reflect those priorities.

**Criterion:** Effectiveness of strategies developed in delivering priorities.<sup>13</sup> **Met**

**Result:** Throughout 2015–16 the Department reviewed and evaluated current strategies to ensure that they aligned with and delivered organisational priorities. The evaluation outcomes were used to guide further strategic improvements to deliver priorities.

**Criterion:** Travellers, traders and visa holders and other entities subject to Portfolio legislation demonstrate increased levels of compliance with requirements.<sup>14</sup> **Met**

**Result:** To improve compliance, the Department undertook education activities aimed at improving travellers', traders' and visa-holders' levels of awareness of Australia's border laws. This approach has increased the understanding of, and increased compliance with, legislated obligations for those seeking to abide by Australian law. It has also enabled the ABF to direct more resources to detect, prevent and deter serious non-compliance and criminal activity.

**Criterion:** Border management strategies are developed to maximise voluntary compliance and provide robust data on border movements and the impact of management strategies.<sup>15</sup> **Met**

**Result:** In 2015–16 the Department committed significant resources to maximising voluntary compliance with border laws. This included a renewed approach to education campaigns with the Australian public to increase awareness of legislated requirements. The Department has also increased its monitoring and data-analysis capabilities to ensure that mechanisms to deter and prevent non-compliance with Australian border laws are effective.

**Criterion:** Development and delivery of Portfolio strategy, legislation and policy, to support the facilitation of legitimate trade.<sup>16</sup> **Met**

**Result:** In 2015–16 the Department continued to develop and deliver relevant strategy, legislation and policy to facilitate legitimate trade.

For example, the Department contributed to the Government's broader trade agenda by drafting and implementing legislative amendments and policy guidelines to support the China–Australia FTA that entered into force on 20 December 2015.

The Department, in conjunction with other government departments and industry, co-designed the policy and procedure to implement the ATT programme. To support this, the Department established an industry advisory group. In addition, the Department has established the ATT Streamlined Reporting Industry Reference Group to consider future policy in relation to streamlined reporting for the ATT programme.

12 KPI from Programme 1.2 in the PBS 2015–16, p. 50.

13 KPI from Programme 1.2 in the PBS 2015–16, p. 50.

14 KPI from Programme 1.2 in the PBS 2015–16, p. 50.

15 KPI from Programme 1.2 in the PBS 2015–16, p. 50.

16 Deliverable from Programme 3.2 in the PBS 2015–16, p. 74. This criterion was incorrectly missing the word 'trade'.

## Function 1

## Facilitation and enforcement of trade and customs

Result

**Criterion:** Provision of tariff classification, valuation and rules of origin advice services to importers and exporters.<sup>17</sup>

Met

**Result:** Under the Tariff Advice System, the Department provides tariff classification, valuation and rules of origin advice free of charge. The system allows importers to seek an advance ruling on the classification of specific goods before they import them. This system provides certainty for importers and helps them to make business decisions about future imports of specific goods before they commit to importation.

**Criterion:** Represent and support Australia's trade interests domestically and internationally.<sup>18</sup>

Met

**Result:** The Department provided extensive support and advice to the Department of Foreign Affairs and Trade (DFAT) in the course of negotiating a range of FTAs, including the China–Australia FTA (entered into in December 2015), and the Trans-Pacific Partnership (TPP) signed in February 2016.

The Department also participated in advocacy programmes in support of FTAs to reach out to industry on issues such as customs valuation. The Department chairs the National Committee on Trade Facilitation (NCTF) which meets twice a year. The NCTF is a forum for government and industry stakeholders to discuss strategic issues relating to trade facilitation affecting Australian industry stakeholders in the international trade environment.

Under the ATT programme, the Department signed statements of intent to negotiate mutual recognition arrangements with New Zealand and the Republic of Korea. The Department has also supported regional partners such as Papua New Guinea in developing equivalent programmes.

In 2015–16 the Department established an Illicit Tobacco Interdepartmental Committee and an Illicit Tobacco Industry Advisory Group. These bodies successfully provided strategic direction and oversight in tackling trade in illicit tobacco across Australia's border.

**Criterion:** Efficiently and effectively manage the permit issuing system for restricted goods.<sup>19</sup>

Met

**Result:** In 2015–16 the Department efficiently and effectively managed the permit issuing system for restricted goods such as firearms and weapons. The Department administers border controls for restricted goods on behalf of other government and law enforcement agencies, including the Attorney-General's Department.

For example, in December 2015 the Department implemented streamlined and modernised amendments to firearms and weapons regulations. These amendments reduced the regulatory burden on importers and exporters of these goods by streamlining permit processes.

**Criterion:** Manage relationships with other government agencies and industry on trade facilitation issues.<sup>20</sup>

Met

**Result:** In 2015–16, the Department effectively managed its relationship with other government agencies and industry on trade facilitation issues. It maintains a robust series of formalised engagements with relevant government agencies in support of trade facilitation, including the Department of Agriculture and Water Resources, the Australian Taxation Office, the Department of Industry and Regional Development, the Department of Industry, Innovation and Science, Australia Post and the Australian Competition and Consumer Commission.

In 2015–16 the Department reviewed its approach to industry engagement. This included the launching of two industry engagement strategies in November 2015 (Trade, Customs and Traveller; and Migration and Mobility).

The Department also chairs the NCTF, an important forum for senior government and industry stakeholders to discuss strategic issues of trade facilitation. The NCTF and its working groups have effectively addressed deregulation, legislative and cargo compliance process issues.

17 Deliverable from Programme 3.2 in the PBS 2015–16, p. 74.

18 Deliverable from Programme 3.2 in the PBS 2015–16, p. 74.

19 Deliverable from Programme 3.2 in the PBS 2015–16, p. 74.

20 Deliverable from Programme 3.2 in the PBS 2015–16, p. 74.

**Function 1**

**Facilitation and enforcement of trade and customs**

Result

**Criterion:** Administer industry assistance schemes.<sup>21</sup>

**Met**

**Result:** All decisions to make or revoke Tariff Concession Orders occurred within legislated timeframes.

**Criterion:** Manage international agreements on international trade and customs procedures.<sup>22</sup>

**Met**

**Result:** In 2015–16 the Department effectively managed international agreements on international trade and customs procedures.

For example, the Department worked closely with DFAT and other government agencies to progress negotiations on a range of bilateral and multilateral FTAs. The Department provided technical advice on customs requirements and the movement of natural persons. This support contributed to the successful conclusion of the China–Australia FTA and the Trans-Pacific Partnership respectively.

The Department continues to participate in negotiations on the Regional Comprehensive Economic Partnership, the Indonesia–Australia Comprehensive Economic Partnership Agreement, the Australia–India Comprehensive Economic Cooperation Agreement, the Pacific Agreement on Closer Economic Relations (PACER) Plus, and the World Trade Organization’s (WTO) Trade in Services Agreement. The Department worked constructively with the World Customs Organization (WCO), including participating in regional capacity-building exercises (for example in the Philippines and Malaysia).

The growth in the international movement of goods continues to elevate the need for enhanced cooperation on border security while facilitating efficient legitimate trade between partners. In 2015–16 the Department continued to engage with the Border Five (B5) Group through meetings of our respective customs agency heads and through a broad range of working group activities. This has allowed us to develop enhanced arrangements and best practice on international trade and customs procedures with our key international counterparts. This has been further expanded internationally through the B5 members’ individual bilateral relationships and through cooperation in other multilateral forums such as the WCO and the Asia-Pacific Economic Cooperation (APEC) Sub-Committee on Customs Procedures.

**Criterion:** Manage the harmonised tariff.<sup>23</sup>

**Met**

**Result:** In 2015–16 the Department successfully managed the harmonised tariff.

For example, the Department conducted significant work following the WCO’s fifth review of the International Convention on the Harmonized Commodity Description and Coding System (International Convention) in implementing required domestic legislative amendments. Australia is required to implement the fifth review changes on 1 January 2017. Work on the WCO’s sixth review has already begun.

The Department is working with its overseas counterparts to simplify customs administration and improve legitimate trade facilitation. In May 2016 the Department provided training to Association of Southeast Asian Nations (ASEAN) members of the ASEAN–Australia–New Zealand FTA to help these members upgrade their customs policies to reflect changes to the Harmonized System.

21 Deliverable from Programme 3.2 in the PBS 2015–16, p. 74.

22 Deliverable from Programme 3.2 in the PBS 2015–16, p. 74.

23 Deliverable from Programme 3.2 in the PBS 2015–16, p. 74.

**Function 1****Facilitation and enforcement of trade and customs**

Result

**Criterion:** Undertake inspection and examination activity in the international mail, air cargo and sea cargo environments, to detect and prevent the import or export of prohibited items and control the movement of restricted items.<sup>24</sup>

**Met**

**Result:** During 2015–16 ABF officers conducted inspection risk assessment and intervention activities across the international mail, air cargo and sea cargo environments. Inspection and examination activity conducted throughout 2015–16 in the international mail, air cargo and sea cargo environments, detected and prevented the import or export of prohibited items and controlled the movement of restricted items. More details on these activities are below:

**International mail:**

- Inspections totalled 57,330,521
- Examinations totalled 211,744
- Detections totalled 67,537.

**Air cargo (imports):**

- Inspections totalled 1,950,546
- Examinations totalled 79,863
- Risk assessed totalled 100 per cent
- Detections totalled 2220.

**Air cargo (exports):**

- Inspections totalled 6502
- Examinations totalled 103
- Risk assessed totalled 100 per cent
- Detections totalled 0.

**Sea cargo (imports):**

- Inspections totalled 95,719
- Examinations totalled 12,633
- Risk assessed totalled 100 per cent
- Detections totalled 417.

**Sea cargo (exports):**

- Inspections totalled 918
- Examinations totalled 105
- Risk assessed totalled 100 per cent
- Detections totalled 6.

As a result, ABF officers made 70,180 detections of contraband in cargo and mail coming into and going out of Australia.

<sup>24</sup> Deliverable from Programme 1.1 in the PBS 2015–16, p. 42.

Table 2:

## PBS performance criteria aligned with Function 1: Facilitation and enforcement of trade and customs

Criterion	2014–15 Actual	2015–16 Target	2015–16 Actual	Result
<b>Customs broker licences:<sup>a, 25</sup></b>				
• number of applications received <sup>b</sup>	83	–	90	n/a
• number issued <sup>b</sup>	44	–	73	n/a
<b>Customs depot licences: <sup>a, 26</sup></b>				
• number of applications received <sup>b</sup>	91	–	111	n/a
• number issued <sup>b</sup>	56	–	77	n/a
<b>Customs warehouse licences: <sup>a, 27</sup></b>				
• number of applications received <sup>b</sup>	78	–	61	n/a
• number issued <sup>b</sup>	81	–	56	n/a
<b>Compliance activities: <sup>a, 28</sup></b>				
• number of customs cargo control checks <sup>b, c</sup>	23,716	–	26,341	n/a
• targeted import/export declarations assessed pre-clearance <sup>b</sup>	130,342	–	102,988	n/a
• import/export declarations assessed pre-clearance through general monitoring program	7,041	7000	7143	Met
• import/export declaration lines assessed as a result of voluntary disclosures <sup>b</sup>	321,770	–	1,638,106	n/a
Number of customs import declarations finalised <sup>29</sup>	3.8m	3.8m	3.8m	Met
Number of export declarations finalised <sup>30</sup>	1.43m	1.45m	1.51m	Met
Number of imported air cargo consignments reported <sup>31</sup>	33.6m	35.8m	34.9m	Not met
Number of imported sea cargo reports <sup>d, 32</sup>	3.0m	3.1m	3.1m	Met

25 Deliverable from Programme 1.2 in the PBS 2015–16, p. 49.

26 Deliverable from Programme 1.2 in the PBS 2015–16, p. 49.

27 Deliverable from Programme 1.2 in the PBS 2015–16, p. 49.

28 Deliverable from Programme 1.2 in the PBS 2015–16, p. 49.

29 Deliverable from Programme 1.2 in the PBS 2015–16, p. 49.

30 Deliverable from Programme 1.2 in the PBS 2015–16, p. 49.

31 Deliverable from Programme 1.2 in the PBS 2015–16, p. 49.

32 Deliverable from Programme 1.2 in the PBS 2015–16, p. 49.

Criterion	2014–15 Actual	2015–16 Target	2015–16 Actual	Result
Proportion of customs broker licence applications processed in accordance with client service standards <sup>a, 33</sup>	97.73%	100%	90.28%	Not met
Proportion of depot licence applications processed in accordance with client service standards <sup>a, 34</sup>	88.10%	100%	100%	Met
Proportion of warehouse licence applications processed in accordance with client service standards <sup>a, 35</sup>	78.67%	100%	100%	Met
Number of tariff classification, valuation and rules of origin advices completed <sup>36</sup>	3,105	–	3,306	n/a
Proportion of tariff classification, valuation and rules of origin advices completed in accordance with client service standards <sup>37</sup>	37%	85%	30%	Not met
Number of external merit and judicial review applications on matters, including tariff classification under Schedule 4 of the Customs Tariff Act, valuation of rules of origin finalised during the performance period where the duty was paid under protest under section 167 of the <i>Customs Act 1901</i> <sup>38</sup>	22	–	33	n/a
Number of external merit and judicial review applications finalised that overturn an administrative review decision where the duty was paid under protest <sup>39</sup>	2	–	9	n/a
Availability of electronic cargo systems to clients (excluding scheduled outages) <sup>40</sup>	99.98%	99.70%	99.84%	Met
Proportion of electronically lodged cargo documents <sup>e</sup> where a response message is transmitted within five minutes <sup>b, 41</sup>	98.65%	–	98.97%	n/a
Number of international vessel movements <sup>b, 42</sup>	55,104	56,442	54,833	Not met
Number of reported vessel arrivals <sup>b, 43</sup>	17,889	18,522	17,909	Not met

33 KPI from Programme 1.2 in the PBS 2015–16, p. 50.

34 KPI from Programme 1.2 in the PBS 2015–16, p. 50.

35 KPI from Programme 1.2 in the PBS 2015–16, p. 50.

36 Deliverable from Programme 3.2 in the PBS 2015–16, p. 74.

37 KPI from Programme 3.2 in the PBS 2015–16, p. 75.

38 KPI from Programme 3.2 in the PBS 2015–16, p. 75.

39 KPI from Programme 3.2 in the PBS 2015–16, p. 75.

40 KPI from Programme 3.2 in the PBS 2015–16, p. 75.

41 KPI from Programme 3.2 in the PBS 2015–16, p. 75.

42 Deliverable from Programme 1.1 in the PBS 2015–16, p. 44.

43 Deliverable from Programme 1.1 in the PBS 2015–16, p. 44.

Criterion	2014–15 Actual	2015–16 Target	2015–16 Actual	Result
Number of reported vessels subject to target intervention activities <sup>44</sup>	5,651	–	6,326	n/a
Number of vessels assessed as high risk <sup>b, 45</sup>	42	–	59	n/a
Number of patrols conducted <sup>b, 46</sup>	7,798	–	4,737	n/a
Number of referrals for formal investigation received <sup>b, 47</sup>	2,379	–	2,114	n/a
<b>Maritime:</b>				
Number of potential irregular, unregulated and unreported vessels detected in Australia's Exclusive Economic Zone in the Southern Ocean <sup>b, f, 48</sup>	3	–	0 <sup>f</sup>	n/a
Number of irregular, unregulated and unreported vessels boarded in the Southern Ocean <sup>b, 49</sup>	0	–	0 <sup>f</sup>	n/a
Number of irregular, unregulated and unreported vessels apprehended in the Southern Ocean <sup>b, 50</sup>	0	–	0	n/a
Number of sightings of potentially illegal foreign fishing vessels in Australian northern waters <sup>g, 51</sup>	10,614	–	9,646 <sup>g</sup>	n/a

a. These criteria appear in both programmes 1.2 and 1.3 as they support both programmes.

b. Performance cannot be forecast reliably.

c. Customs cargo control and compliance activity conducted at wharves, airports, depots, warehouses and cargo terminal operators.

d. This criterion was previously described as 'number of imported sea cargo manifest lines reported'. The description of the criterion has been refined to reflect more accurately the statistic while maintaining the historical series.

e. Non-batched documents only.

f. Maritime Border Command detected the illegal, unregulated and unreported vessel *Viking*, known to have operated in the Southern Ocean, as it transited south out of the Sunda Strait on 25 September 2015. Maritime Border Command subsequently boarded the vessel north-west of Christmas Island in the Indian Ocean. Sighting information and boarding data were sent to the Commission for the Conservation of Antarctic Marine Living Resources and Regional Plan of Action countries.

g. Sightings of Type 3 and Type 4 Indonesian and other foreign fishing vessels within the Australian Exclusive Economic Zone/Australian Fishing Zone. These numbers may include multiple sightings of the same vessel by different surveillance flights and include sightings of vessels legitimately fishing or transiting the area. The number of sightings cannot be forecast through any reliable statistical or other method.

44 Deliverable from Programme 1.1 in the PBS 2015–16, p. 44.

45 Deliverable from Programme 1.1 in the PBS 2015–16, p. 44.

46 Deliverable from Programme 1.1 in the PBS 2015–16, p. 44.

47 Deliverable from Programme 1.1 in the PBS 2015–16, p. 44. The 2014–15 measure relates to the former ACBPS only.

48 KPI from Programme 1.1 in the PBS 2015–16, p. 47.

49 KPI from Programme 1.1 in the PBS 2015–16, p. 47.

50 KPI from Programme 1.1 in the PBS 2015–16, p. 47.

51 KPI from Programme 1.1 in the PBS 2015–16, p. 47.

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## OVERALL ANALYSIS OF FUNCTION 1

In 2015–16 the Department focused on supporting legitimate trade and travel, continuing to balance trade facilitation with enforcement of border controls.

The Department worked with other government agencies and industry to co-design policies to support legitimate trade and reduce regulatory burdens. This included the delivery of a 12-month pilot Australian Trusted Trader programme and the provision of an effective policy framework for migration and customs functions as part of Norfolk Island reforms.

The Department continued to support legitimate trade in goods by streamlining firearms and weapons regulations and providing timely advice on regulated goods and trade facilitation matters including origin, valuation and tariff classification.

In 2015–16 the Department increased levels of engagement and communication, recording improved feedback and increased satisfaction from other government agencies and industry with our facilitation services and enforcement activities.

The Department increased traveller and trader compliance through education campaigns to improve awareness of Australia's border requirements.

It has also increased its monitoring of data analysis to ensure appropriate control measures for prohibited and restricted items.

The Department implemented information technology solutions, such as the rollout of SmartGates for travellers and upgrades to X-ray and CCTV technology to help in streamlining legitimate trade and travel while continuing to undertake risk-based compliance activities.

The Department did not meet its volume targets for inspections and examinations of air and sea cargo, largely due to the impact of intermittent Protected Industrial Action and the need to flexibly deploy Border Force officers to other precincts, such as airports, to assist in peak processing. The Department did, however, exceed volumes for mail items inspected when compared with previous years. As a consequence of Department activities, over 70,000 items of contraband were detected.

The Department led work with the WTO, WCO, B5 and APEC on customs matters. The Department supported the creation of FTAs including contribution to the establishment of the Australia/China FTA and the TPP.

# FUNCTION 2: FACILITATION AND ENFORCEMENT OF TRAVEL

**Impact:** Enhanced economic and social prosperity while ensuring national security

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## OVERVIEW OF FUNCTION 2

This function involves the management of travel into and out of Australia, through the provision of policy, advice, visas and services to the Australian Government and travellers. The Department facilitates legitimate travel while remaining vigilant to attempts to circumvent regulations and maintaining the capability to intervene where and when needed. Key elements of the performance of the function are to:

- work ahead of, at and after the border, in collaboration with domestic and international partners in law enforcement and policy
- harness information and technology to build our border capabilities, including intelligence and data analytics
- deliver an effective programme of prevention, deterrence and enforcement
- develop and maintain agile, responsive operational staff and capabilities.

The Department sought to reduce progressively the proportion of its resources and effort devoted to facilitation and routine border clearance operations through automation, and adopted an intelligence-led, risk-based approach to its intervention processes.

Footnotes provide additional information about the source of each criterion.

## CORPORATE PLAN PERFORMANCE

Function 2:	2015–16	
Facilitation and enforcement of travel	source	Result
<b>Criterion:</b> Management of travellers and goods moving across the border occurring in accordance with the Department's service standards. <sup>52</sup>	Corporate Plan	<b>Not met</b>
<p><b>Result:</b> The Department strives to strike the best balance between facilitation of travellers and identification and intervention of travellers of concern.</p> <p>During 2015–16 over 87 per cent of travellers were cleared within the service standard of 30 minutes. This was a slight decrease (2.1 per cent) compared with the previous year due to increasing traveller numbers, the size and capacity of aircraft and vessels and aging arrival technology. This is being addressed through the development of a more mobile workforce and ongoing technology rollouts including departure eGates (SmartGates) which provide streamlined processing while still addressing risks.</p> <p>In its role as Convenor of the 21-member Asia-Pacific Economic Cooperation (APEC) Business Mobility Group (BMG), the Department implemented the agreement to extend the validity of the APEC Business Travel Card (ABTC) from three to five years with effect from 1 September 2015.</p> <p>Through the use of intelligence-informed targeting and technology, the management of goods across the border continues to occur with minimal disruption to legitimate trade while effectively dealing with trade that does not comply with Australia's border laws.</p>		
<b>Criterion:</b> Less than 0.015 per cent of the total passenger and crew arrivals are refused immigration clearance at airports and seaports. <sup>53</sup>	Corporate Plan, PBS	<b>Not met</b>

**Result:** A total of 0.0166\* per cent of all passengers and crew arrivals were refused immigration clearance at Australia's airports and seaports during 2015–16. The strong rate of refusals is largely a result of increasing confidence in the Border Risk Identification System (BRIS) tool. BRIS operates post check-in and uses advanced analytics to better identify travellers who are more likely not to comply with their visa conditions.

\*Does not include round trip cruise passengers.

<sup>52</sup> Criterion from Corporate Plan 2015–19, p. 32. This criterion also appears under Function 1 in Corporate Plan 2015–19, p. 30.

<sup>53</sup> Criterion from Corporate Plan 2015–19, p. 32 and Programme 1.1 in the PBS 2015–16, p. 47. PBS criterion also included the word 'Ensure'.

Function 2:	2015-16	
Facilitation and enforcement of travel	source	Result
<b>Criterion:</b> Progress being made regarding the processing of the legacy cohort under the new onshore protection legislation and temporary protection visa framework. <sup>54</sup>	Corporate Plan, PBS	<b>Met</b>

**Result:** Significant progress has been made towards assessing the legacy caseload against Australia's protection obligations. Processing occurs primarily in order of arrival although some cases may be escalated based on sensitivities such as health concerns, unaccompanied minors or the detention status of an individual.

Overall for the total legacy<sup>4</sup> caseload of 30,787 at 30 June 2016:

- 6379 Fast Track applications have been lodged with the Department by applicants who arrived on or after 13 August 2012 and around 6000 applications have been lodged by applicants who arrived prior to 13 August 2012, including applications that have been deemed to be Temporary Protection visa (TPV) applications.
- 3130 applications on hand, including at merits review, have had an indicative assessment completed:
  - 2241 applications are undergoing checks prior to finalisation
  - 582 applications are on hand with merits review bodies, of which 447 are at the Migration and Refugee Division of the Administrative Appeals Tribunal and 135 are at the Immigration Assessment Authority\*\*
  - the remainder of on hand applications are at other stages of processing.
- 3411 applications have been finally determined, of which 1552 TPVs and Safe Haven Enterprise visas (SHEVs) have been granted and 1859 have been refused.

<b>Criterion:</b> Interventions performed pre-arrival, on arrival and departure for regulatory compliance. <sup>55</sup>	Corporate Plan	<b>Met</b>
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**Result:** During 2015-16 the Department had regulatory oversight of 40.68 million travellers in Australia, with 20.42 million (passenger and crew) arriving in and 20.25 million (passengers and crew) departing from Australia. To ensure the flow of legitimate travellers across Australia's border, the Department undertook 600,756 interventions<sup>4</sup> at all stages of the border continuum:

- pre-arrival<sup>\*\*\*</sup>: 220,869
- arrival: 256,537
- departure: 123,350.

<b>Criterion:</b> Migration and temporary entry programmes not increasing the incidence of health risks or costs to the Australian community. <sup>56</sup>	Corporate Plan, PBS	<b>Met</b>
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**Result:** The Department continues to manage the immigration health requirement to protect Australia from public health risks and contain public health expenditure and access to health and community services through a range of targeted enhancements to pre-migration screening. These include:

- revision of the tuberculosis (TB) risk matrix
- the introduction of TB testing for certain child applicants with higher TB risks
- screening improvements for TB, mental health, immunisation and streamlined fitness-to-travel assessment procedures for the Syrian and Iraqi humanitarian intake to support resettlement
- cooperating with domestic and international partners to manage existing and emerging health risks such as TB, polio, Ebola, MERS and Zika virus.

\*Based on DIBP systems.

\*\*The figures of the relevant merit review bodies may differ from that of the DIBP systems as the merit review bodies count a family group as one application and DIBP counts each individual applicant.

\*\*\*Includes 132 Airport Liaison Officer interdictions to refuse passenger boarding at offshore locations.

54 Criterion from Corporate Plan 2015-19, p. 32 and Programme 2.4 in the PBS 2015-16, p. 64. PBS criterion included 'processing of the legacy cohort of persons who arrived in Australia as IMAs'.

55 Criterion from Corporate Plan 2015-19, p. 32.

56 Criterion from Corporate Plan 2015-19, p. 32 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015-16, p. 62. PBS criterion included 'ensure permanent migration and temporary entry do not increase health risks or costs to the Australian community'.

Function 2:	2015–16	
Facilitation and enforcement of travel	source	Result
<b>Criterion:</b> Increase in the use of biometrics and identity management services to facilitate the movement of legitimate travellers, and detect and deter those who pose a risk to the Australian community and national interest. <sup>57</sup>	Corporate Plan, PBS	<b>Met</b>

**Result:** Under the Five Country Conference (FCC) biometric data-matching programme, the Department is developing the capability to automate the exchange of non-FCC citizens' fingerprint biometric data with other FCC partners. Full automation of biometric data exchange, and the subsequent legal requirements to carry out this sharing, has commenced and will be rolled out progressively to all FCC partners in coming years.

All biometrics collected for non-nationals are matched against both the Department's own records and national law enforcement fingerprint records held in The Australian Criminal Intelligence Commission's National Automated Fingerprint Identification System (NAFIS). The Department matches selected biometrics against the fingerprint databases of other FCC partners. In 2015–16 there were 74,628 fingerprint records shared with FCC partners. Checks continue to reveal identity, law enforcement and immigration history information on individuals that would otherwise not be known to the Department. This includes information on individuals on known or suspected terrorist lists. The FCC data-matching process is making a significant contribution to improving identity management.

<b>Criterion:</b> Increase in the percentage of departing travellers successfully cleared through automated border control systems. <sup>58, 59</sup>	Corporate Plan	Met
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**Result:** In 2014 the Department was funded by \$50.1 million to rollout departures SmartGates as part of the Government's counter-terrorism initiative. SmartGates use facial biometrics technology to automate the manual checks normally conducted by an Australian Border Force (ABF) officer. Automated border processing is a critical enabler to managing increasing traveller volumes and enables travellers, irrespective of passport type, to quickly and seamlessly pass through departures processing. Unlike most overseas jurisdictions, by using new technology automated processing in Australia is not restricted to ePassport or registered/trusted travellers. The successful rollout of the departures SmartGates has been delivered in close cooperation with industry.

Between July 2015 and June 2016, 77 departure SmartGates were successfully rolled out and are now operational at seven of Australia's eight international airports (all Australian international airports will have departure SmartGates once Adelaide begins operation of a further six in early July 2016):

- Sydney (25 gates)
- Melbourne (18 gates)
- Brisbane (12 gates)
- Darwin (four gates)
- Perth (nine gates)
- Gold Coast (six gates)
- Cairns (three gates).

At 30 June 2016, approximately 6.9 million departing travellers had been successfully processed through the gates with around 85 per cent of all eligible travellers using the SmartGates to self-process through the border. The Department's goal is to reach 90 per cent throughput by 2019.

<sup>57</sup> Criterion from Corporate Plan 2015–19, p. 32 and Programme 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 62.

<sup>58</sup> Criterion from Corporate Plan 2015–19, p. 32.

<sup>59</sup> The results for this criterion also address criterion 'Provide eligible travellers with the option for self-processing and clearance through automated border control at a range of Australian international airports and seaports' from Programme 1.1 in the PBS 2015–16, p. 42.

Function 2:	2015-16 source	Result
<b>Facilitation and enforcement of travel</b>		
<b>Criterion:</b> High level of confidence in the accurate identification of people entering and departing Australia and those likely to threaten the national interest. <sup>60</sup>	Corporate Plan, PBS	<b>Met</b>

**Result:** The Department continues to focus on ensuring the accurate identification of individuals entering and departing Australia. Robust identification processes protect Australia from fraudulent activity and from threats to our national security associated with organised crime and terrorist groups.

In 2015-16 the identity business support network conducted in-depth identity assessments for complex cases where, for example, individuals had arrived undocumented and could not provide evidence to support their claimed identity. At 30 June 2016, 380 visa-related cases were referred for complex identity assessments. In 59 per cent of cases the claimed identity was not supported. In addition, 123 citizenship cases were also referred for complex identity assessments. In 68 per cent of these cases the claimed identity of the applicant was not supported.

<b>Criterion:</b> Effective conduct of land-based patrol and surveillance of the waterfront, remote areas and regional ports, including through the deployment of mobile teams. <sup>61</sup>	Corporate Plan, PBS	<b>Met</b>
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**Result:** During 2015-16 ABF officers conducted more than 4700 patrols at appointed seaports, wharves and waterfront environments and surrounding areas, including remote and coastal regions. Mobile patrol teams are used to identify, deter and disrupt criminal activity and non-compliant operations, using information-gathering, observation, interception, questioning and search activities.

A total of 3786 patrols conducted in and around the waterfront, with an additional 333 patrols conducted across inshore waters.

A further 618 patrol activities, including information-collection, reconnaissance and observation, were performed in isolated coastal areas, including beaches, banks, harbours, marinas, boat ramps, coastline, rivers and bays.

<b>Criterion:</b> Successful investigation and prosecution of breaches of Australian border laws. <sup>62</sup>	Corporate Plan, PBS	<b>Met</b>
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**Result:** The Department successfully investigated 94 cases that resulted in prosecution outcomes during the financial year 2015-16. At 30 June, 19 cases were before the courts and 36 cases were being prepared for or were with the Director of Public Prosecutions for assessment. In total, the Department had 116 cases before the courts awaiting resolution.

<b>Criterion:</b> Voluntary compliance is maintained as the primary approach to resolving breaches. <sup>63</sup>	Corporate Plan, PBS	<b>Met</b>
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**Result:** Overall compliance with Australia's Migration Programme was high in 2015-16. More than 99 per cent of more than 6.5 million temporary arrivals during the financial year complied with the requirement to maintain their lawful immigration status or to leave Australia before their visa expired.

To foster voluntary compliance, the Department promoted engagement with the community status resolution service (CSRS) through social media, radio, digital and print media. Activities included Google Search keyword advertising, digital banner displays on key websites, and ethnic press and radio advertising targeting the top 10 groups of visa overstayers. During periods of CSRS promotional activity, visits to the CSRS webpage increased on average by 81 per cent. This webpage contains further information about overstaying and includes departmental contact details.

A visa entitlement verification online (VEVO) check is promoted and accepted as a reasonable step to assess whether a non-citizen is allowed to work. In 2015-16, 10,611 businesses registered to use VEVO. Overall, 3,108,379 VEVO checks were recorded by organisations in 2015-16 compared with 2,641,245 in 2014-15, an increase of 18 per cent.

60 Criterion in Corporate Plan 2015-19, p. 32 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015-16, p. 62. PBS criterion included 'promote a high level of confidence in the accurate identification of people entering and departing Australia and those likely to threaten the national interest'.

61 Criterion from Corporate Plan 2015-19, p. 32 and Programme 1.1 in the PBS 2015-16, p. 43. PBS criterion did not include the word 'Effective'.

62 Criterion in Corporate Plan 2015-19, p. 32 and Programme 1.1 in the PBS 2015-16, p. 43. PBS criterion included 'Formally investigate and potentially prosecute breaches of Australian border laws'.

63 Criterion from Corporate Plan 2015-19, p. 32 and Programme 1.3 in the PBS 2015-16, p. 51.

Function 2:	2015–16	
Facilitation and enforcement of travel	source	Result
<b>Criterion:</b> Employers voluntarily comply with their obligations to engage in legal work hire practices. <sup>64, 65</sup>	Corporate Plan, PBS	<b>Met</b>

**Result:** In 2015–16 the Department undertook 838 awareness activities with business, industry and stakeholder groups. A VEVO check is promoted and accepted as a reasonable step to assess whether a non-citizen is allowed to work. In 2015–16 there were 10,611 businesses registered to use VEVO. Overall, 3,108,379 VEVO checks were recorded by organisations in 2015–16 compared with 2,641,245 in 2014–15, an increase of 18 per cent. In 2015–16 the Department issued 414 Illegal Worker Warning Notices to educate businesses about their responsibilities when hiring non-citizens and warned them of the consequences of continued non-compliance with legislation. Six infringement notices were issued to non-compliant employers, with fines totalling \$36,360.

In relation to non-compliance of business sponsors, the Sponsor Monitoring Unit (SMU) monitors Temporary Work (Skilled) (subclass 457) visa and Temporary Work (Short Stay Activity) (subclass 400) visa sponsorship obligations. SMU inspectors and monitoring officers audit sponsors' compliance with their sponsorship obligations and take appropriate action in relation to identified breaches. Enforcement options include issuing a warning, cancelling or barring the sponsor from using the programme for up to five years, issuing an infringement notice, executing an enforceable undertaking or applying to the Federal Court for a civil penalty order. The ABF may take more than one enforcement action against a sponsor.

In 2015–16 the Department finalised the monitoring of 1390 temporary work sponsors, the majority of which were 457 sponsors. Approximately 58 per cent of sponsors monitored were considered to have satisfactorily met their obligations while the remaining 42 per cent were found to be in breach of their obligations. This rate is higher than in recent years, reflecting improved targeting of risk. Of the sponsors found to be in breach, a total of 372 sponsors were sanctioned (cancelling and/or barring the sponsor), 210 received a formal warning and 28 were issued with infringement notices totalling just under \$272,580. One civil penalty case was heard in the Federal Court of Australia. The judgement resulted in penalty orders of \$516,000 and restitution to the visa holders totalling \$83,465.54.

<b>Criterion:</b> Immigration status of the majority of non-citizens located in the Australian community for breach of immigration law is resolved in a timely way. <sup>66</sup>	Corporate Plan, PBS	<b>Not met</b>
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**Result:** In 2015–16 following 15,145 location events of unlawful non-citizens in the community, 52 per cent of persons located had departed Australia by 30 June 2016. Common impediments to an expeditious departure included the person not being fit to travel, time taken to verify their identity so that a travel document could be issued and the lodgement of further applications.

During 2015–16 the Department assisted in or managed the departure of 14,708 people from Australia, a decrease of 4.8 per cent compared with 2014–15 (15,450). These figures include the voluntary departure of people from the community, the removal (voluntary and involuntary) of non-citizens held in immigration detention (including illegal maritime arrivals (IMAs)), and the return of transferees from regional processing centres.

64 Criterion from Corporate Plan 2015–19, p. 32 and Programme 1.3 in the PBS 2015–16, p. 51.

65 The results for this criterion also address criterion 'Promote voluntary compliance by Australian employers with employer sanctions legislation through the provision of targeted education and engagement activities' from Programme 1.3 in the PBS 2015–16, p. 51.

66 Criterion from Corporate Plan 2015–19, p. 32 and Programme 1.3 in the PBS 2015–16, p. 51.

Function 2:	2015-16	Result
Facilitation and enforcement of travel	source	Result
<b>Criterion:</b> Immigration detention network meeting operational requirements and is maintained to a standard that supports the health, safety and security of detainees and staff. <sup>67</sup>	Corporate Plan, PBS	<b>Met</b>

**Result:** The Department maintains a network of immigration detention facilities (IDFs) that cater for differing caseloads and individual needs. A facility may be categorised as an immigration detention centre (IDC), immigration residential housing (IRH), immigration transit accommodation (ITA) or an alternative place of detention (APOD), established under the *Migration Act 1958*. To ensure the safety and security of all people in detention, higher-risk detainees are accommodated in IDCs while families with minors are accommodated at an IRH, ITA or APOD.

Maintaining good order, safety and security of IDFs is of paramount importance. An individual’s known risk history or criminal history is considered when their placement and management in an IDF is being considered. The safety of the detainee and others is taken into account. In accordance with Government policy, minors are only held in immigration detention as a last resort and for the shortest practicable time. Between 1 July 2015 and 30 June 2016, the number of children in Australia’s onshore immigration detention network was reduced substantially, from 127 at 30 June 2015 to zero at 30 June 2016.

Departmental facilities provide suitable conditions for people in immigration detention. The detainee population at different facilities is managed in a manner appropriate to meet identified needs and management protocols commensurate with security, service delivery and other characteristics of the detainee population. Immigration detainees are given access to a range of services that are comparable with Australian community standards (next criterion refers). This is consistent with Australian Government policies that ensure the fair and reasonable treatment of all detainees.

Department and service provider staff who work in the complex detention environment are also supported through a range of strategies, including policies and procedures, that promote safe operating procedures and safety in the workplace. Staff also have access to the Employee Assistance Program (EAP) as required.

<sup>67</sup> Criterion from Corporate Plan 2015-19, p. 32 and Programme 1.3 in the PBS 2015-16, p. 51.

Function 2:	2015–16	
Facilitation and enforcement of travel	source	Result
<b>Criterion:</b> Non-citizens in immigration detention having access to services consistent with relevant laws and standards. <sup>68, 69</sup>	Corporate Plan, PBS	<b>Met</b>

**Result:** As the facilities and detainee services provider, Serco is required to ensure that Service Provider personnel comply with all laws and Australian Government policies and any other Department, specific policies as notified by the Department from time to time.

Detainees in immigration detention are provided with access to a range of services that support their health, safety and security. These include:

- coordinated primary and mental health care, including the provision of allied, specialist and acute care as required
- access to external government and non-government oversight bodies
- educational programmes, including English-language instruction
- cultural, recreational and sporting activities
- external excursions
- specialist counselling services
- library services
- computer and internet services
- culturally and nutritionally appropriate meals and incidental items for purchase.

The Department's contracted service provider, Serco Australia Pty Ltd maintained an individual management plan for each detainee. Each plan recognises the unique requirements and circumstances of each individual while they are in detention. It describes the measurable outcomes that the service provider must deliver in order to satisfy the Department that it is fulfilling its duty-of-care obligations to each person in detention. To ensure the safety and security of all detainees and staff, Serco maintains a security risk assessment for each individual and provides tailored services to detainees that support their wellbeing and personal security. All service providers use this assessment information to ensure that people who pose a risk to the good order of the facility and the safety and security of detainees, visitors and staff, as well as individuals who pose a threat to the Australian community, are appropriately managed. Detainees are given access to individualised health care that is broadly comparable to the level of care provided to the broader Australian community under the public health system.

The contract is supported by monitoring and quality assurance activities to ensure that services are delivered appropriately.

<sup>68</sup> Criterion from Corporate Plan 2015–19, p. 32 and Programme 1.3 in the PBS 2015–16, p. 51.

<sup>69</sup> The results for this criterion also address criteria 'Delivery of health and other support services for unlawful non-citizens in immigration detention' from Programme 1.3 in the PBS 2015–16, p. 51 and 'Health and other support services for IMAs in immigration detention' from Programme 1.4 in the PBS 2015–16, p. 52.

Table 3:

## Corporate Plan performance criteria

### Function 2: Facilitation and enforcement of travel

Criterion	2014–15 Actual	2015–16 Target	2015–16 Actual	Result
Processing of international passengers (air and sea): <sup>70</sup>				
• Arrivals	17.585m	18.598m	18.775m	<b>Met</b>
• Departures	17.380m	18.383m	18.605m	<b>Met</b>
Total number of arriving travellers who successfully cleared automated border control systems <sup>71</sup>	6.77m	5.82m	8.00m	<b>Met</b>
Percentage of passengers processed within 30 minutes of joining the inwards queue <sup>72</sup>	89.9%	92%	87.8%	<b>Not met</b>
Traveller satisfaction with primary line services <sup>73</sup>	95.7%	95%	95.5%	<b>Met</b>
Percentage of arriving travellers who successfully cleared automated border control systems <sup>74</sup>	37.8%	30%	42.1%	<b>Met</b>
Percentage of reported vessels risk assessed at first port <sup>75</sup>	100%	100%	100%	<b>Met</b>
Percentage of high risk vessels where targeted operational responses were performed <sup>76</sup>	100%	85–100%	81.4%	<b>Not met</b>
Number and weight of illicit drug detections <sup>a, b, 77</sup>	32,880 detections of which 14,899 were major illicit drugs and precursors—weighing 7,309 kg	–	37,936 detections of which 16,864 were major illicit drugs and precursors weighing 5070 kg	<b>n/a</b>
Percentage of high-priority cases accepted for formal investigation <sup>c, 78</sup>	100%	80–90%	84.8%	<b>Met</b>

a. Performance cannot be forecast reliably.

b. Weight shown may be the confirmed weight (if available) or the gross, net or estimated weight. Where the weight of detections of ATS, MDMA (ecstasy) and precursors was not available, an estimate of 0.29 grams per tablet was used. Estimated weight values for PIEDs and 'other' drugs are not shown as there is no consistent unit of measure available. Items in these categories can be measured in grams, volume, dose unit or capsules.

c. Formal investigations are conducted by the Department's Investigations Division and refer to suspected breaches of Australia's border controls.

70 Criterion from Programme 1.1 in the PBS 2015–16, p. 44.

71 Criterion from Programme 1.1 in the PBS 2015–16, p. 44.

72 Criterion from Programme 1.1 in the PBS 2015–16, p. 46.

73 Criterion from Programme 1.1 in the PBS 2015–16, p. 46.

74 Criterion from Corporate Plan 2015–19, p. 33 and Programme 1.1 in the PBS 2015–16, p. 46.

75 Criterion from Corporate Plan 2015–19, p. 33 and Programme 1.1 in the PBS 2015–16, p. 46.

76 Criterion from Corporate Plan 2015–19, p. 33 and Programme 1.1 in the PBS 2015–16, p. 46.

77 Criterion from Corporate Plan 2015–19, p. 33 and Programme 1.1 in the PBS 2015–16, p. 46.

78 Criterion from Corporate Plan 2015–19 p. 33 and Programme 1.1 in the PBS 2015–16, p. 46.

## PORTFOLIO BUDGET STATEMENTS PERFORMANCE

### Function 2:

#### Facilitation and enforcement of travel

Result

**Criterion:** Process international air and sea passengers and crew by:

**Met**

- undertaking pre-arrival and pre-departure risk assessments based on advance traveller data, information and intelligence to identify potential persons of interest
- assessing traveller information to provide advice about regulatory requirements
- performing primary interventions on arrival and departure for identity verification, for legislative entry and exit processing and to activate secondary assessment of persons of interests
- assessing travellers on arrival, including real-time officer assessment and response activities and deployment of detector dogs
- performing secondary interventions on arrival and pre-departure for the assessment of persons of interest (questioning, baggage examination and personal search) and undertaking or referring for related follow-on activities.<sup>79,80</sup>

**Result:** The ABF uses passenger name record, advance passenger processing and expected movement record data with information and intelligence attained from a range of Departmental functions and several key partner agencies to conduct further risk assessments of travellers. These additional risk assessments are conducted to identify persons of interest in addition to the scrutiny applied to their visa applications and is conducted regardless of their visa status. During 2015–16 assessments using this information led to 267,145<sup>79</sup> referrals by the ABF resulting in 3258 refusals of immigration clearance.

People entering Australia, including Australian citizens, must provide evidence of their identity and evidence of their authority to enter to a primary line clearance officer or automated immigration clearance processing system. The Department assesses all passengers arriving or departing for immigration clearance. There were 20.42 million arrivals and 20.25 million departures through Australian airports and seaports in 2015–16, an increase of 6.9 per cent on the previous year. These movements included 36.02 million air passengers, 1.93 million air crew, 1.36 million sea passengers and 1.37 million sea crew.

Primary line clearance officers will refer a traveller to secondary clearance when a traveller's immigration clearance is not straightforward or when alerted by a systems-generated message to assess bona fides, rectify departmental records, conduct health and character checks, or verify travel documents.

In 2015–16, 265,723 air and 1422 sea passengers were referred for secondary clearance, resulting in 3258 persons being refused immigration clearance. The Department deployed 10,418 detector dog taskings to support clearance and secondary assessment activities resulting in 408 detections. In 2015–16 there were 100,980 secondary interventions of persons of interest upon arrival and 11,762 upon pre-departure.

\*Does not include round trip cruise passengers.

<sup>79</sup> Deliverable from Programme 1.1 in the PBS 2015–16, p. 42.

<sup>80</sup> The results for this criterion also address criterion 'Effective use of pre-arrival and pre-departure risk assessments based on advance traveller data' from Corporate Plan 2015–19, p. 32.

**Function 2:****Facilitation and enforcement of travel****Result****Criterion:** Process vessels crossing the border by:**Met**

- assessing the risk of all reported vessels including performing whole-of-government arrival and departure vessel processing functions
- conducting targeted operational response\* against vessels assessed as high risk
- targeting interventions\*\* with reported vessels to:
  - identify and deter non-compliance
  - inform and strengthen intelligence holdings
  - test intervention and targeting parameters
  - strengthen capabilities to deal with serious and organised crime.<sup>81</sup>

**Result:** All vessels are subject to an initial risk assessment at first port of arrival, with additional assessments conducted in line with regional operational concerns. In 2015-16, 17,909 vessels were assessed on direct arrival, resulting in 6326 targeted intervention activities. Of the 17,909 vessels, 59 were assessed as high risk, resulting in 48 targeted intervention activities.

**Criterion:** Delivery of targeted information and engagement activities that deter breaches of legislation administered by the Portfolio.<sup>82</sup>**Met**

**Result:** A range of targeted information and engagement activities occur with visa holders, employers, peak bodies, migration agents, education providers and other stakeholders, to support voluntary compliance.

In 2015-16 the Department undertook 838 targeted awareness activities to educate businesses in relation to the employer sanctions legislation and to promote the use of VEVO to check the work entitlements of prospective employees. As a result of these visits, the Department issued 414 Illegal Worker Warning Notices to businesses to deter future non-compliance.

The Department also promoted engagement with the community status resolution service (CSRS) through social media, radio, digital and print media. Activities included Google Search keyword advertising, digital banner displays on key websites, and ethnic press and radio advertising targeting the top ten groups of visa overstayers. During periods of CSRS promotional activity, visits to the CSRS webpage, which contains further information about visa overstaying, including departmental contact details, increased on average by 81 per cent.

Other activities focusing on deterring breaches of legislation included the promotion of the *Coming to Australia* video overseas, which provides information about visa holder obligations and the importance of complying with visa conditions. The video was promoted to cohorts identified as a high risk of becoming unlawful non-citizens. During the periods of promotional activity of *Coming to Australia*, views of the video increased on average by 125 per cent. The Department also promoted awareness of the *Migration Amendment (Charging for a Migration Outcome) Act 2015* through an updated webpage, social media campaign and direct emails to 6020 migration agents and 9890 sponsors.

\*Targeted operational response means co-ordinated operational activity against an identified target (may include joint agency response).

\*\*Interventions may include one or more of:

- response to a request for activity on behalf of another border/intelligence agency
- physical verification/identification of travellers
- planned directed overt or covert patrol activity
- vessel search
- covert monitoring of crew and vessel movement
- intelligence collection
- CCTV monitoring.

81 Deliverable from Programme 1.1 in the PBS 2015-16, p. 42.

82 Deliverable from Programme 1.3 in the PBS 2015-16, p. 51.

**Function 2:****Facilitation and enforcement of travel****Result****Criterion:** Delivery of risk-based response to breaches of legislation.<sup>83</sup>**Met**

**Result:** The Department implements prevention, deterrence and enforcement activity proportionate to the level of non-compliant behaviour and the risk posed to the Australian community and the Migration Programme. The priority given to activity is determined by strategic threat assessments, ABF priorities, the immigration compliance prioritisation matrix, operational directives and risk tiering.

The immigration compliance prioritisation matrix comprises four priorities. Priority 1 allegations and information are the highest priority. In 2015–16 the Department conducted 3130 Priority 1 field activities contributing to the 3940 non-voluntary locations made throughout the year. Sixty-three per cent of all field compliance activity was categorised as Priority 1.

A risk-based approach is also applied to monitoring activities aimed at assessing subclass 457 sponsors' compliance with legislated obligations. Department-initiated monitoring is based on weighted risk indicators across subclass 457 sponsors including factors such as industry type, number of subclass 457 visa holders nominated, occupation type, annual turnover and wages expenditure for the business. Monitoring activities may also be initiated from allegations, referrals from the Fair Work Ombudsman or through targeted campaigns aimed at specific cohorts. In 2015–16 the Department finalised the monitoring of 1390 temporary work sponsors, the majority of which were subclass 457 sponsors.

**Criterion:** Delivery of support services for non-citizens in the community.<sup>84,85</sup>**Met**

**Result:** During 2015–16, 32,080 non-citizens were provided with support through status resolution support services (SRSS) while seeking to resolve their immigration status and living in community detention (CD) or in the community. Case workers employed by contracted service providers work with recipients to ensure that the services provided are targeted to meet identified needs and build independence. Services delivered in the SRSS programme depend on individual circumstances of the person and may include:

- financial assistance
- housing, including residential and out-of-home care for unaccompanied minors or accommodation assistance
- access to health care
- case worker support
- case management support
- access to 'English as a Second Language' lessons for all adults
- access to schooling for school aged children.

Departmental guidelines and decision-makers ensure that services remain consistent with status-resolution processes and Australian community standards. These arrangements are supported by monitoring and quality-assurance activities to ensure that services are delivered appropriately.

<sup>83</sup> Deliverable from Programme 1.3 in the PBS 2015–16, p. 51.

<sup>84</sup> Deliverable from Programme 1.3 in the PBS 2015–16, p. 51.

<sup>85</sup> The results for this criterion also address criteria 'Support services for IMAs in the community to address vulnerabilities and barriers to status resolution' from Programme 1.4 in the PBS 2015–16, p 52 and 'Support services for non-citizens (other than IMAs) in the community to address vulnerabilities and barriers to status resolution' from Programme 2.4 in the PBS 2015–16, p. 64.

**Function 2:**

**Facilitation and enforcement of travel**

Result

**Criterion:** Delivery of services that facilitate status resolution of breaches of Portfolio legislation.<sup>86</sup>

**Met**

**Result:** At 30 June 2016, the Department was engaged actively with 39,915 non-citizens resolving their status (27,474 IMA, 12,441 non-IMA). Of these, 37,795 were in the community on Bridging E visas (BVEs) (26,356 IMA, 11,439 non-IMA).

During 2015-16, 15,145 unlawful non-citizens commenced engagement with the Department to resolve their immigration status, including 11,205 who self-identified for status resolution.

In 2015-16, 14,013 non-IMAs resolved their status after engaging with the Department. Of these, 82 per cent left Australia and 18 per cent were granted substantive visas or citizenship.

Performance results for this criterion are also reported under PBS performance criterion 'Delivery of support services for non-citizens in the community' above.

**Criterion:** The management of non-compliance does not lead to an unacceptable increase in non-compliant activity.<sup>87</sup>

**Met**

**Result:** During 2015-16, community status resolution officers (CSROs) engaged with a total of 44,180 people (including IMAs) who were living in the community as an alternative to detention. At 30 June 2016 CSROs were managing 37,795 people, an increase of 2 per cent compared with the 36,942 people being managed at 30 June 2015.

The effective management of non-citizens in the Australian community on BVEs has not led to an unacceptable increase in non-compliance with BVE conditions, with the percentage of BVE overstayers against relevant BVE grants remaining relatively stable at under 5 per cent in recent years.

A further measure of effective management of non-compliance is the number of unlawful non-citizens in the community, which was 62,000 at 30 June 2015 and was 64,600 at 30 June 2016, a slight increase of 4.2 per cent.

**Criterion:** Eligible IMAs are transferred to a regional processing centre (RPC) in a safe and timely manner.<sup>88, 89</sup>

**Met**

**Result:** No new eligible IMAs were transferred to a regional processing country during 2015-16. Transitory persons who were in Australia from Nauru or Papua New Guinea (PNG) to receive medical treatment were returned in accordance with well-established processes and agreed administrative arrangements with regional processing countries.

86 Deliverable from Programme 1.3 in the PBS 2015-16, p 51.

87 KPI from Programme 1.3 in the PBS 2015-16, p 51. The second part of this criterion 'Employers voluntarily comply with their obligations to engage in legal work hire practices' is addressed separately under Corporate Plan performance.

88 KPI from Programme 1.4 in the PBS 2015-16, p 52.

89 The results for this criterion also address criterion 'Transfer of eligible IMAs to a Regional Processing Centre (RPC)' from Programme 1.4 in the PBS 2015-16, p 52.

**Function 2:****Facilitation and enforcement of travel****Result**

**Criterion:** IMAs in immigration detention and in the community receive services consistent with relevant laws and community standards.<sup>90</sup>

**Met**

**Result:** Services provided to IMAs who live in community detention or who hold BVEs are designed to be similar to but not more extensive than those available to low-income Australian families. For example, health services are Medicare equivalent.

IMAs receive a living allowance that is based on no more than 89 per cent of the relevant rate of the Centrelink Special Benefit, from which a contribution to the costs of provided accommodation is deducted.

Unaccompanied minors in community detention receive a higher level of service in recognition of the Department's duty of care and, where applicable, the Minister's guardianship of the children. In the reporting period, this included full-time carer support in a group home environment. IMA and non-IMAs in immigration detention received individualised health care to a standard comparable to health services available in the Australian community under the public health system.

IMAs and non-IMAs received health screening, including for communicable diseases, when entering immigration detention. Primary and mental health clinics were provided on site, with allied and specialist health care provided by visiting practitioners or by referral to community-based practitioners. IMAs and non-IMAs were offered specialist torture and trauma counselling as clinically indicated. Local hospitals provided emergency and acute care. IMAs who required referral and follow-up treatment for significant health conditions were actively managed through the Department's health undertaking service.

A performance framework with the contracted health services provider was implemented on 1 July 2015. It continues to help improve service provision to IMAs and non-IMAs in immigration detention.

**Criterion:** Breaches of the Code of Behaviour by IMAs residing in the community are actioned in a timely manner.<sup>91</sup>

**Met**

**Result:** Potential breaches of the Code of Behaviour by IMAs residing in the community are assessed in a timely manner. An assessment is initiated when the Department becomes aware of a potential breach of the code. When a breach is assessed as having occurred, the Department does not automatically return the individual to detention. A range of options are considered, based on the nature of the breach.

From 1 July 2015 to 30 June 2016, 281 potential breaches of the code were identified. No IMAs had their BVE cancelled for breaching the code and five had a formal counselling session with a DIBP officer to reinforce expected behavioural standards. Nineteen IMAs had a discussion with their SRSS provider about expected behavioural standards. These figures do not include IMAs who may have breached the code but whose visa was cancelled under other provisions relating to criminal charges and convictions. If the BVE is cancelled, the former visa holder is placed in immigration detention unless remanded in criminal custody.

**Criterion:** IMAs have appropriate access to services that support timely return to their country of origin.<sup>92, 93</sup>

**Met**

**Result:** The International Organization for Migration (IOM) delivers the assisted voluntary return and reintegration (AVRR) assistance programme on behalf of the Department. This programme is delivered to non-citizens, including IMAs, to support status resolution outcomes. The AVRR programme helps non-citizens who wish to return voluntarily but who require assistance to do so. A person can access IOM assistance at any stage of the status resolution process. Services may include counselling, travel assistance, accommodation and, where applicable, post-return assistance. In addition, the IOM also provides IMAs with reintegration assistance. This is provided in-country after the individual returns and is designed to facilitate income-generating activities after they arrive. In 2015–16, 637 IMAs were referred to the IOM for access to the AVRR programme, compared with 854 in 2014–15. In 2015–16, 392 IMAs returned with AVRR programme support, compared with 552 in 2014–15.

90 KPI from Programme 1.4 in the PBS 2015–16, p. 52.

91 KPI from Programme 1.4 in the PBS 2015–16, p. 52.

92 KPI from Programme 1.4 in the PBS 2015–16, p. 52.

93 The results for this criterion also address criterion 'Services that facilitate status resolution for IMAs, including voluntary return to the person's country of origin and, where appropriate, reintegration assistance packages' from Programme 1.4 in the PBS 2015–16, p. 52.

**Function 2:**

**Facilitation and enforcement of travel**

**Result**

**Criterion:** Capability development support for partner countries in relation to matters covered by the Memorandum of Understanding and Administrative Arrangements agreed with Australia.<sup>94</sup>

**Met**

**Result:** Under the Memoranda of Understanding (MOUs) and the Administrative Arrangements, the Department contracts service providers to support the Governments of Nauru and Papua New Guinea (PNG) to provide safe and secure environments for all people at regional processing centres (RPCs). The Department also supports regional processing and settlement countries in delivering settlement services to refugees through local services and contracted service providers.

The Department has helped the Governments of Nauru and PNG to implement refugee determination processes, including merits and judicial review processes. The Department contracts claims-assistance providers to help transferees to prepare and state their protection claims. Claims assistance is also available at merits review. The Department is helping the Government of PNG to develop settlement service capability through service providers and mentoring arrangements. These arrangements support the PNG Government's implementation of its national refugee policy.

Stage one of the Republic of Nauru hospital upgrade has been completed. It consists of purpose built surgical facilities, a six-bed inpatient ward, primary and mental health consultation rooms, a new X-ray building, temporary clinic and pathology buildings. The Department is also supporting the Nauruan Department of Education with teachers who provide curriculum development and pedagogical practice services in Nauruan schools. As well, the Department is supporting mentoring for staff working in the Nauru Child Protection Unit, including the development of policies and procedures and the recruitment of social worker staff. Significant improvements to infrastructure have also occurred, including a community resource centre for staff delivering community and education programmes and services.

**Criterion:** Construction and maintenance of facilities that support partner countries to manage and accommodate transferees.<sup>95, 96</sup>

**Met**

**Result:** In 2015-16 the Department completed significant additional hard-walled settlement accommodation in Nauru. At the request of the Government of Nauru, the Department began construction of a number of community facilities, including new classrooms, administration areas and ablutions at Nauru Primary School, a community resources centre and a correctional centre.

In a joint project with DFAT, the Department commissioned additional facilities at the Republic of Nauru Hospital.

The Department finalised a precinct at East Lorengau Refugee Transit Centre in Manus for the PNG Immigration and Citizenship Service. It included additional administration and support facilities. The Department has also supported the identification and removal of asbestos in accordance with Australian standards, codes and legislation.

<sup>94</sup> Deliverable from Programme 1.5 in the PBS 2015-16, p.53.

<sup>95</sup> Deliverable from Programme 1.5 in the PBS 2015-16, p. 53.

<sup>96</sup> The results for this criterion also address criterion 'RPC facilities are constructed and maintained in a manner that meets operational requirements and relevant local standards' from Programme 1.5 in the PBS 2015-16, p. 53.

**Function 2:****Facilitation and enforcement of travel****Result****Criterion:** Services that support partner countries to manage the health and welfare of transferees.<sup>97</sup>**Met**

**Result:** Transferees at RPCs received individualised health care to a standard broadly consistent with Australian public health standards.

Healthcare clinics were open at the Nauru and Manus RPCs seven days per week. Medical staffing was also available to respond to after-hours medical emergencies. These services were supplemented by visiting health practitioners, a tele-health service and medical transfers when required.

Specialist torture and trauma counselling was offered to transferees as clinically indicated. Health care services in line with local community standards were also provided to refugees settled in the community.

The Department also implemented a number of measures to increase health capability in RPCs, including:

- the establishment of a visiting specialist programme that provided consultation and surgical services to transferees and refugees in Nauru
- the installation and commissioning of a CT scanner at the Republic of Nauru Hospital
- improvements in neonatal and obstetric services, including enhanced birthing services in Nauru and access to midwives and an obstetrician
- enhanced capability and training assistance provided to Republic of Nauru Hospital staff
- additional mental health professionals working in the RPC supporting transferees and refugees.

In addition to health services provision, the Department contracts Broadspectrum (formerly Transfield Services) in PNG and Nauru on behalf of their governments to provide welfare services to transferees. School-aged transferee children at Nauru RPCs attend Nauruan schools and have individually assessed learning plans that take account of their schooling background, level of achievement and English-language skills. Children have access to a comprehensive after-school and weekend activity programme that includes arts, crafts, social interaction, sport, music and family activities.

Adult transferees at the RPCs also have a range of programmes and activities available to them, including English as a Second Language classes, excursions to local cultural sites, sports, fitness, social and cultural or religious activities.

**Criterion:** Services that support partner countries to ensure the safety and security of people accommodated and working within RPCs.<sup>98</sup>**Met**

**Result:** The Department contracts service providers to help the Governments of Nauru and PNG to provide safe and secure environments for staff and detainees at the RPCs, including the management of routine events and incident response. Service providers have developed management plans to support the good order of the centres. Their personnel are appropriately trained and staff at RPCs are given ongoing briefings on safety and security. As part of its contract management role, the Department attends the operational planning and management meetings of the national governments and contracted service providers. Specific measures in Nauru included:

- a Government of Nauru community liaison officer programme
- a permanent Nauru Police Force presence at the RPC
- a mentoring programme between Australian Federal Police (AFP) officers and the Nauru Police Force
- a newly established gender violence and child protection unit and specialised incident hotline
- a Nauru safety and security forward action plan.

At the Manus RPC the working partnership between the garrison and welfare service provider Broadspectrum, PNG Immigration and Citizenship Service, and the Royal PNG Constabulary Support Unit ensures the safety and security of people working and accommodated at the RPC.

<sup>97</sup> Deliverable from Programme 1.5 in the PBS 2015–16, p. 53.

<sup>98</sup> Deliverable from Programme 1.5 in the PBS 2015–16, p. 53.

**Function 2:**

**Facilitation and enforcement of travel**

**Result**

**Criterion:** Services that assist partner countries to return or remove transferees to their country of origin.<sup>99</sup>

**Met**

**Result:** Voluntary returns from RPCs in Nauru and Manus are facilitated through one of two service options: AVRR or the facilitated departure service (FDS). AVRR is facilitated by the IOM: this reintegration is a combination of cash and in-kind assistance. Voluntary departure under FDS is facilitated by the Department. IOM facilitates AVRR and provides support for the voluntary return of transferees from Nauru or PNG to their home country or a country where they have right of entry and long-term stay. The voluntary decision rests exclusively with the transferee. In 2015-16, 12 (nine AVRR and three FDS) transferees voluntarily returned from the Manus RPC to their country of origin and two AVRR voluntarily returned from the Nauru RPC. The Department also continued to provide support and assistance to the Governments of Nauru and PNG to develop their removal capabilities, with a key focus on training, skills development and operations mentoring. The Department deploys staff to Nauru and PNG to promote awareness of options for voluntary return. It also supports short-term missions to PNG and Nauru to help to train removals officers and help with operations when requested by these governments. The above programmes are funded through a combination of departmental and administered appropriations.

**Criterion:** Services that assist partner countries to manage settlement of transferees found to be refugees.<sup>100</sup>

**Met**

**Result:** Under regional resettlement the Governments of Nauru, PNG and Cambodia are responsible for the settlement or temporary settlement of refugees. The Australian Government supported these governments in refugee settlement by contracting the service providers Connect Settlement Services Pty Ltd, Broadspectrum, International Health and Medical Services Pty Ltd and the IOM.

On settlement, refugees are linked to local Nauruan, PNG and Cambodian services as well as to a range of supplementary services that help them to adjust to life in the community. Support services for refugees promote self-sufficiency and provide them with the knowledge and skills for settlement. They include basic welfare and orientation services, language training, case management and capacity building. Access to health care, specialised torture and trauma counselling and mental health support are also provided to refugees.

Refugees are accommodated in a range of purpose-built settlement accommodation, privately leased rental accommodation and adapted lodge-style accommodation facilities.

**Criterion:** Services delivered are consistent with the Memorandum of Understanding and Administrative Arrangements agreed with Australia and relevant local standards.<sup>101</sup>

**Met**

**Result:** The Department worked closely with regional processing countries in a range of ways to deliver services that are consistent with the MOUs and Administrative Arrangements agreed between Australia and PNG and Nauru, respectively. They included engagement with relevant governance forums, contract management and capacity building. Service standards are determined by regional processing countries and are broadly consistent with services available in the local community.

99 Deliverable from Programme 1.5 in the PBS 2015-16, p. 53.

100 Deliverable from Programme 1.5 in the PBS 2015-16, p. 53.

101 KPI from Programme 1.5 in the PBS 2015-16, p. 53.

**Function 2:****Facilitation and enforcement of travel****Result**

**Criterion:** Refugee Status Determination capacity building support enables regional processing countries to develop and deliver a scalable and responsive framework that provides for timely resolution of status in accordance with the countries' international obligations.<sup>102,103</sup>

**Met**

**Result:** Throughout 2015–16 the Department continued to support the Governments of Nauru and PNG to fully implement their respective refugee status determination processes. The Department funded claims-assistance providers to help transferees to prepare their protection claims applications and seek review, as appropriate.

In addition, the Department supported PNG protection assessment officers in Manus with practical, hands-on mentoring and training until March 2016, and then remotely until June 2016. The Department supported the recruitment and training of new merits review officers in PNG. In Nauru, the Department has extended claims assistance support to the Supreme Court appeals of refugee status determination decisions that began in March 2016.

The Government of Nauru has made refugee status determinations for most transferees since its decision in October 2015 to expedite the processing of asylum seeker claims. It began its judicial review process in March 2016. At 30 June 2016, 1196 asylum seekers in Nauru had received a refugee status determination. The Government of PNG has completed all initial asylum claims and had committed to completing all ministerial final determinations by 30 June 2016. At 30 June 2016, 588 asylum seekers in PNG had received ministerial determinations.

**Criterion:** Regional settlement countries are supported to develop and deliver high quality, needs-based settlement services to support the settlement and integration of refugees into the host societies in a durable and sustainable manner.<sup>104</sup>

**Met**

**Result:** The Department supported efforts by the Governments of Nauru, PNG and Cambodia to deliver high-quality needs-based settlement or temporary settlement services for refugees that are consistent with established country-specific Regional Resettlement Arrangements (RRAs) and MOUs. The Australian Government works collaboratively with the Governments of Nauru, PNG and Cambodia on long-term capacity-building initiatives by providing practical and financial assistance, including the delivery of specialised settlement services in the areas of education, infrastructure, health services, refugee-status determination training, mentoring and case-management training.

**Criterion:** Work collaboratively with international organisations to enhance the migration, identity, immigration intelligence and border management capabilities of partner governments.<sup>105</sup>

**Met**

**Result:** The Department continued its work to enhance the border management capabilities of partner governments, in collaboration with international organisations. Examples include:

- funding the expansion of effective container controls in ports in Myanmar, Laos, Cambodia and Vietnam under the United Nations Office of Drugs and Crime (UNODC) and World Customs Organization Container Control Programme
- funding enhancements to the UNODC Voluntary Reporting System on Migrant Smuggling and Related Conduct, which provides a data set on migrant smuggling and irregular migration for use by participating member states in South East Asia and the Pacific.

102 KPI from Programme 1.5 in the PBS 2015–16, p. 53.

103 The results for this criterion also address criterion 'Services that support partner countries to determine the refugee status of transferees' from Programme 1.5 in the PBS 2015–16, p. 53.

104 KPI from Programme 1.5 in the PBS 2015–16, p. 53.

105 Deliverable from Programme 1.6 in the PBS 2015–16, p. 54.

**Function 2:**

**Facilitation and enforcement of travel**

Result

**Criterion:** Provide assistance, training and resources to support, manage and oversee agreed bilateral and multilateral arrangements under the Regional Cooperation Framework and other measures.<sup>106</sup>

**Met**

**Result:** The Department continued its work to enhance the border management and security capabilities of partner governments throughout Asia, the Pacific and Middle East under the regional skills development programme (RSDP). Under this programme, departmental technical specialists delivered targeted training activities for counterpart immigration, customs and border agencies in over 45 countries in the areas of document examination, immigration intelligence analysis, investigations, vessel search, strategic trade controls (counter-proliferation), counter-terrorism and facial image comparison.

Further, under the English-language training (ELT) programme, the Department helped officers from counterpart immigration and customs agencies to develop a working knowledge of the English language to enable detection of unlawful people and cargo movements at borders. Participation included counterparts from Bangladesh, Myanmar, Cambodia, Indonesia, Laos, Malaysia, Sri Lanka, Thailand, Timor Leste and Vietnam.

Collectively the RSDP and ELT programmes complement Australia's efforts in the Regional Cooperation Framework under the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime.

**Criterion:** Enhanced international systems, information sharing and analytical capability which supports better threat and risk assessments in collaboration with partner countries.<sup>107</sup>

**Met**

**Result:** In investigating and responding to threats to the Australian border, the Department works closely with a range of stakeholders, including communicating and cooperating with relevant authorities of partner countries in line with the Department's authorising legislation. Increased globalisation has made assessing threats to the border more complex. Due to their transnational nature, it is imperative that the Department collaborate with international partners to better understand and address these threats. During the reporting period, the Department has participated in a number of international forums and used its overseas liaison officer network to increase information sharing and analytical capability to better inform its threat assessments, which in turn better informs risk management.

An example of enhanced cooperation is the regional movement alert system (RMAS), which provides a real-time travel document validation service between participating RMAS countries—currently Australia, New Zealand, the USA and the Philippines. The system provides a mechanism to detect lost, stolen or otherwise invalid travel documents either in real time at the point of boarding, during flight or at the point of arrival, depending on when the RMAS request is sent. RMAS has the advantage of enabling people tendering invalid travel documents to be prevented from boarding a flight from any boarding point when travelling to a participating RMAS country. Engagement for future implementation of RMAS is well advanced with Malaysia, Thailand, Taiwan and Peru.

106 Deliverable from Programme 1.6 in the PBS 2015-16, p. 54.

107 Deliverable from Programme 1.6 in the PBS 2015-16, p. 54.

Table 4

## PBS performance criteria aligned with Function 2: Facilitation and enforcement of travel

Criterion	2014–15 Actual	2015–16 Estimated Target	2015–16 Actual	Result
Processing of international crew (air and sea): <sup>108</sup>				
• Arrivals	1.545m	1.644m	<b>1.649m</b>	<b>Met</b>
• Departures	1.539m	1.639m	<b>1.649m</b>	<b>Met</b>
Total number of departing travellers who successfully cleared automated border control systems <sup>a, 109</sup>	42,574	–	<b>6,897,089</b>	<b>n/a</b>
Number of arriving international air passenger referrals to the Department of Immigration and Border Protection <sup>a, 110</sup>	160,376	–	<b>143,978</b>	<b>n/a</b>
Percentage of departing travellers who successfully cleared automated border control systems <sup>a, 111</sup>	0.24%	–	<b>36.6%</b>	<b>n/a</b>
Number of detections of undeclared conventional firearms, parts and accessories and magazines <sup>a, b, 112</sup>	1,775	–	<b>1,751</b>	<b>n/a</b>
Value of undeclared currency <sup>a, 113</sup>	\$16.9m	–	<b>\$17.2m</b>	<b>n/a</b>
Number and weight of illicit tobacco in the sea cargo stream <sup>a, c, 114</sup>	91 detections, weighing 182 tonnes	–	<b>88 detections, weighing 64 tonnes</b>	<b>n/a</b>
Percentage of referrals accepted for formal investigation <sup>d</sup>	41.7%	18–25%	<b>41.5%</b>	<b>Met</b>
Percentage of prosecution briefs completed as the result of a formal investigation that resulted in a conviction <sup>d, 115</sup>	96.9%	85–95%	<b>95.0%</b>	<b>Met</b>

- a. Performance cannot be forecast reliably.
- b. The term ‘conventional firearms’ does not include such categories as imitations, airguns, BB guns and paintball guns, but includes all other firearms.
- c. Weight shown may be the confirmed weight (if available) or the gross, net or estimated weight.
- d. Formal investigations are conducted by the Investigations Division and refer to suspected breaches of Australia’s border controls.

108 Deliverable from Programme 1.1 in the PBS 2015–16, p. 44.

109 Deliverable from Programme 1.1 in the PBS 2015–16, p. 44.

110 KPI from Programme 1.1 in the PBS 2015–16, p. 46.

111 KPI from Programme 1.1 in the PBS 2015–16, p. 46.

112 KPI from Programme 1.1 in the PBS 2015–16, p. 46. A typographical error in the PBS has been corrected. Criterion in PBS referred to ‘undeclared detections’, instead of ‘detections of undeclared conventional firearms, parts and accessories and magazines’.

113 KPI from Programme 1.1 in the PBS 2015–16, p. 46.

114 KPI from Programme 1.1 in the PBS 2015–16, p. 46.

115 KPI from Programme 1.1 in the PBS 2015–16, p. 46.

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## OVERALL ANALYSIS OF FUNCTION 2

Over the 2015-16 reporting period, the Department successfully managed the flow of legitimate travellers across the border. This contributed to the economic and social benefit of the nation while maintaining Australia's border integrity. This was achieved by implementing enhanced prevention, compliance, deterrence and enforcement measures proportionate to the level of non-compliant behaviour and the risk posed to the Australian public.

The Department continues to focus on ensuring the accurate identification of individuals entering and departing Australia. In 2015–16, the introduction of enhanced technology capabilities provided robust identification processes to protect Australia from fraudulent activity and from threats to our national security associated with organised crime and terrorist groups. Technological enhancements saw more travellers utilising self-processing services, while advanced risk and intelligence analytics led to better identification of travellers who are more likely not to comply with their visa conditions.

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## OVERALL ANALYSIS OF FUNCTION 2 CONT.

Through the use of intelligence-informed targeting and technology, the management of goods crossing the border continued to occur with minimal disruption to legitimate trade while effectively dealing with trade that did not comply with Australia's border laws.

The Department continued to successfully implement the Government's border policies. For example, the Department reduced the number of IMA children in held detention onshore down from 1992 in 2015 to zero in 2016. Furthermore, the Department supported the Government's changes to character provisions in the *Migration Act 1958* which has led to a large number of people being detained for removal because of a criminal conviction or criminal charges. Border integrity has been enhanced by the Department's international

engagement work beyond our borders to improve information sharing with our partner agencies including participation in a number of international forums and increased engagement with a wider range of countries on the regional movement alert system. Protected industrial action had the potential to undermine the Department's work to maintain border integrity but this was largely mitigated by reallocation of resources from support areas and, ultimately, the Fair Work Commission's decision to issue a 90-day suspension of the industrial action.

# FUNCTION 3: DELIVERY OF VISITOR, TEMPORARY RESIDENT, MIGRATION AND CITIZENSHIP PROGRAMMES

**Impact:** A migration programme that supports the Government's national security, economic and social agenda, as well as industry and business needs

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## OVERVIEW OF FUNCTION 3

This function involves management of the entry into and departure from Australia of temporary visitors and permanent migrants, including the monitoring and resolution of their status, and the promotion of the value of Australian citizenship. The Department does this through the provision of policy, advice, processes and services to Government, visitors and migrants. Key elements of the performance of the function are to:

- advise on and deliver policy to implement visitor, temporary resident, migration and visa reform agendas
- deliver programmes for supporting labour market initiatives, visa simplification and enhancement of tourism industry initiatives
- promote policies and strategies around the acquisition and benefits of citizenship for non-citizens.

The Department will continue to adopt an intelligence-informed, risk-based approach to focus on mitigating the risks, including security risks, posed by the complex composition of temporary visitors and permanent migrants, through cooperation and engagement on policy and programme development across government, industry and civil society.

Footnotes provide additional information about the source of each criterion.

## CORPORATE PLAN PERFORMANCE

### Function 3:

Delivery of visitor, temporary resident, migration and citizenship programmes	2015–16 source	Result
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<p><b>Criterion:</b> Migration programme being delivered within Government targets and according to applicable priority processing directions<sup>116</sup>, composing up to:</p> <ul style="list-style-type: none"> <li>• 128,550 Skilled stream places—being 67.7 per cent of the programme</li> <li>• 60,885 Family stream places<sup>117</sup></li> <li>• 565 Special Eligibility stream places.</li> </ul>	Corporate Plan, PBS	<b>Met</b>
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**Result:** The total Migration Programme outcome for 2015–16 was 189,770 places, within the planning level of 190,000.

Within the managed migration programme:

- 128,550 places were delivered in the Skill stream
- 57,400 places were delivered in the Family stream
- 308 places were delivered in the Special Eligibility stream.

A total of 3512 Child places were also delivered within the overall planning level.

<p><b>Criterion:</b> The visitor programme continues to support global tourism, business travel and the domestic economy.<sup>118</sup></p>	Corporate Plan, PBS	<b>Met</b>
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**Result:** The Department's facilitation of legitimate visitors to Australia provides benefits to the Australian community, including support to the tourism industry and international business activity. The efficient delivery of the visitor visa programme balances national security and community protection with economic and trade interests.

The Department managed a record number of visitor visas in 2015–16, with 4.8 million granted. This represents an increase of 11.4 per cent compared with 2014–15 (4.3 million grants).

The People's Republic of China has continued to grow in importance as a source of international visitors to Australia. The number of visitor visa grants to Chinese nationals has grown significantly over the past five years, from 324,712 in 2010–11 to 801,761 in 2015–16. Further innovations for the China visitor market have been announced, including a trial of an online visitor visa lodgement option in Chinese, and a 10-year validity visitor visa to reduce red tape for frequent travellers. A 'fast track' visitor visa processing service for an additional fee commenced as a trial for Chinese nationals in March 2016.

116 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63. PBS criterion included 'the migration programme is delivered within Government targets and according to applicable priority processing directions'. The results for this criterion also address criterion 'Deliver the migration programme within Government targets, and maintain programme integrity and intention' from Programme 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 62.

117 The Corporate Plan 2015–19 notes that this includes at least 3485 Child places available outside the managed Migration Programme. This is in response to the Government's commitment to reform and to improve the processes relating to inter-country adoption.

118 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63.

**Function 3:**

**Delivery of visitor, temporary resident, migration and citizenship programmes**

2015–16  
source

Result

**Criterion:** The student programme supports a sustainable international education sector, in line with government priorities.<sup>119</sup>

Corporate  
Plan, PBS

**Met**

**Result:** The student visa programme contributes to Australia’s society and economy by facilitating the lawful entry and temporary stay of international students. In 2015–16 the programme grew for the fifth successive year, with a total of 310,845 student visas granted—an increase of 3.8 per cent compared with 2014–15.

The Department engages with key international education stakeholders to support a sustainable sector. For example, the Department convenes the Education Visa Consultative Committee, a quarterly forum focused on the student visa programme and international education issues.

The simplified student visa framework (SSVF) implemented on 1 July 2016 supports the sustainable growth of the international education sector in Australia by simplifying the process of applying for a student visa for genuine students, reducing red tape for business 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 Education.

**Criterion:** Working holiday maker negotiations are targeted towards Government priorities.<sup>120</sup>

Corporate  
Plan, PBS

**Met**

**Result:** The working holiday maker programme encourages closer ties and cultural exchange between Australia and partner countries by providing reciprocal opportunities for young people to travel and support this with short-term employment.

In addition to the 31 arrangements already in place, during 2015–16 the Department implemented new arrangements with China (5000 places annually, from 21 September 2015), the Slovak Republic (200 places annually, from 1 January 2016), Slovenia (200 places annually, from 1 January 2016) and Israel (500 places annually, from 1 June 2016). While the arrangement with China is non-reciprocal it includes a review mechanism should China be in a position to offer work and holiday opportunities for young Australians in the future.

In 2015–16 the Government signed a new work and holiday visa arrangement with Hungary, providing up to 200 visa places per year for eligible young people from the two countries. This will be implemented once both countries have made the necessary arrangements. The Department continues to progress negotiations for reciprocal work and holiday arrangements with a further 20 countries.

**Criterion:** Temporary visa programmes support the Government’s international priorities and obligations.<sup>121</sup>

Corporate  
Plan, PBS

**Met**

**Result:** Australia’s temporary visa framework supports the Government’s international priorities and obligations by facilitating temporary entry of people into Australia to undertake education, tourism, working holidays or skilled work.

The Department works closely with the Department of Foreign Affairs and Trade to ensure that Australia’s temporary visa framework facilitates immigration obligations under free trade agreements. The Department supported the implementation of the China–Australia Free Trade Agreement (ChAFTA) and related arrangements between Australia and China. In February 2016, in recognition of the special relationship and shared history with New Zealand, the Government announced an additional permanent residence pathway for New Zealand citizens who arrived between February 2001 and February 2016 and who have been living in Australia for at least five years. From 1 July 2017 New Zealand citizens who hold a Special Category (subclass 444) visa and meet eligibility requirements for this additional pathway will be able to apply under the general skilled migration stream.

119 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63.

120 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63.

121 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63.

**Function 3:****Delivery of visitor, temporary resident, migration and citizenship programmes**2015–16  
source

Result

**Criterion:** Policy development and deregulatory reform to visa programmes are implemented effectively and in a timely and cost-effective manner, also supporting programme delivery and integrity.<sup>122</sup>

Corporate  
Plan, PBS**Met**

**Result:** Policy reform aims to continually improve immigration and citizenship programmes. The reform process identifies and addresses programme delivery and integrity concerns and implements reforms through:

- implementing settings that align with whole-of-government objectives, including security, economic, social and deregulation
- monitoring, analysing and evaluating programme outcomes to identify drivers of emerging trends and whether government objectives are being met
- consulting with programme management and service delivery partners to check that settings continue to meet operational requirements
- developing feasible reform options to manage risks for consultation with key stakeholders
- seeking parliamentary approval
- implementing legislation and systems capability.

The Department administers policy reforms using change processes that were established to ensure the most efficient, effective and appropriate implementation of policy. These processes include a variety of consultation and process check lists that facilitate the timely implementation of policy reform.

In 2015–16 the following reforms were implemented in a timely and cost-effective manner to support programme delivery and integrity:

- Temporary Work (Skilled) (subclass 457) visa—in accordance with recommendations of the 2014 subclass 457 visa integrity review, provisions were amended to:
  - introduce penalties for accepting benefits in return for visa sponsorship
  - obligate sponsors to engage in non-discriminatory recruitment practices
  - exempt subclass 457 visa applicants from further English-language assessment if they already meet the required English level for an Australian occupational registration or license.
- Skilled Occupations List—the annual review of the list of occupations eligible for permanent skilled migration was completed.
- Offshore resource activities—provisions were introduced to prescribe the visas foreign workers must hold in order to work on offshore resource installations.
- Investment visas—a new complying investment framework was introduced to encourage investments in emerging enterprises and promoting local commercialisation of innovative research and development such as funding venture capital companies.
- Health—the specifications of health examinations for temporary visa applicants were amended to more efficiently facilitate visa outcomes for low-risk applicants.
- Biometrics—changes were made to better facilitate the collection of biometrics.
- Genuine visitors—provisions were amended to clarify that time in Australia on bridging visas counts when calculating whether a person has spent more than 12 months in Australia.
- Visitor visa processing—to assess whether priority processing of visa applications will increase Australia's competitive advantage in the international tourist market, provisions were introduced to give Chinese tourists the option to pay an additional fee to have applications finalised within 48 hours.

122 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63.

**Function 3:****Delivery of visitor, temporary resident, migration and citizenship programmes**

2015–16

source

Result

- Working holiday visas—the criteria for a second Working Holiday visa were strengthened to address wage-related concerns. In addition, Working Holiday, and Work and Holiday visa holders can now work for one employer for more than six months if they work in certain industries in northern Australia or as au pairs.
- Adoption visas—safeguards were introduced to provide certainty and clarity on visa applications for children from countries whose adoption practices do not meet Australian visa requirements.
- Visa cancellations—provisions were amended to clarify circumstances when a visa may be granted to a person who has had a previous visa cancelled and when the cancellation of the visa to a New Zealand citizen can be revoked.
- ImmiCard—eligibility was extended, providing an alternative proof of identity tool for long-term permanent visa holders.
- Cessation of citizenship—legislation was amended to create new grounds for cessation for dual nationals who engage in terrorism-related activity.

**Criterion:** Visa applications are finalised within applicable service standards.<sup>123,124</sup>Corporate  
Plan, PBS**Not met**

**Result:** The Department aims to decide 75 per cent of visa applications within specified times for each visa category.

While permanent and temporary visa programmes were delivered in accordance with legislative requirements and applicable visa processing directions, some service standard targets were not met.

For temporary entrants, 88.8 per cent of visa applications were decided within service standards. The stated service standard was met in the Visitor, Temporary Work (Skilled) (subclass 457) visa and Temporary Resident (Other) visa categories. The service standard was not met for the Student visa or Working Holiday Maker programmes primarily due to increases in visa lodgements.

The permanent Migration Programme was successfully delivered within planning levels. However as the demand greatly exceeded available places, 52.4 per cent of permanent visa applications were not finalised within service standards. For permanent entrants, 47.6 per cent of permanent visa applications were finalised within service standards. The stated service standard was met for the Child visa programme. The standard was not met for the General Skilled Migration, Employer Sponsored, Business Innovation and Investment, Partner, Parent, and Other Family programmes. Whenever demand for places exceeds supply, achieving service standards will be more challenging, even though the permanent Migration Programme is delivered within planning levels.

**Criterion:** Percentage of refusal decisions for Australian citizenship overturned through an appeal process being less than 1 per cent.<sup>125</sup>Corporate  
Plan, PBS**Met**

**Result:** Less than 1 per cent of refusal decisions for conferral, descent and resumption applications were overturned at review.

**Criterion:** Percentage of citizenship conferral applications decided within service delivery standards being at least 80 per cent.<sup>126</sup>Corporate  
Plan, PBS**Not met**

**Result:** The service delivery standard for conferral applications is to decide 80 per cent of applications within 80 calendar days of lodgement. In 2015–16, 76.6 per cent of applications were decided within the service standard.

123 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63.

124 The results for this criterion also address criterion 'Finalise visa applications within applicable standards and according to priority processing directions' from Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 62. In addition, all relevant visa programmes were delivered in accordance with priority processing directions.

125 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63.

126 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63.

Table 5:

## Corporate Plan performance criteria

### Function 3: Delivery of visitor, temporary resident, migration and citizenship programmes

Criterion	2014–15 Actual	2015–16 Target	2015–16 Actual	Result
The permanent Migration Programme is delivered within government targets. <sup>127</sup>	189,097	<190,000	<b>189,770</b>	<b>Met</b>
Temporary and permanent migration does not increase the incidence of health risks or costs to the Australian community. <sup>128</sup>	5.7 per 100,000	Contribute to maintaining TB rates in Australia at <6 cases per 100,000 people	<b>5.3 per 100,000</b>	<b>Met</b>

127 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63.

128 Criterion from Corporate Plan 2015–19, p. 34 and Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 63.

## PORTFOLIO BUDGET STATEMENTS PERFORMANCE

### Function 3

#### Delivery of visitor, temporary resident, migration and citizenship programmes

Result

**Criterion:** The migration programme supports the Government's national security, economic and social agenda, as well as industry and business needs.<sup>129,130</sup>

**Met**

**Result:** Planning for and managing the Migration Programme supports public confidence that migration outcomes are being delivered in the national interest.

The 2015-16 Migration Programme (Skill, Family and Special Eligibility streams) supports the Government's economic and social policies by responding to the needs of industry, businesses and Australian families.

The programme size and composition was informed by analysis of Australia's economic, social and population trends, the fiscal impact of the programme and extensive consultation with a range of stakeholders. Planning for and managing migration in transparent and accountable ways supports the national interest and public confidence in the programme.

Delivery of the Migration Programme supports national security and community protection through:

- applying public interest criteria within the visa framework to mitigate health, character, fraud and other security risks
- activities to strengthen the integrity of visa programmes such as the use of biometrics to confirm the identity of visa applicants who seek entry to Australia
- activities aimed to deter, detect and respond to non-compliance with visa requirements.

<sup>129</sup> KPI from Programmes 2.1, 2.2 and 2.3 in the PBS 2015-16, p. 63.

<sup>130</sup> The results for this criterion also address criterion 'Deliver the migration programme within Government targets, and maintain programme integrity and intention' from Programme 2.1, 2.2 and 2.3 in the PBS 2015-16, p. 62. Deliverable from Programmes 2.1, 2.2 and 2.3 in the PBS 2015-16, p. 62.

## Function 3

## Delivery of visitor, temporary resident, migration and citizenship programmes

Result

**Criterion:** Support Australia's economic development and needs through sustainable growth in temporary visa programmes.<sup>131</sup>

Met

**Result:** In 2015–16 the Department implemented reforms to support the economic contribution and sustainable entry of skilled workers under the Temporary Work (Skilled) 457 visa programme. These reforms included a review of the minimum salary threshold, reducing regulatory duplication relating to English language requirements and integrity measures to support the role of the 457 programme as a supplement to the local labour market.

The Department, in consultation with other government agencies, supports considerations by the Ministerial Advisory Council on Skilled Migration (MACSM) by providing immigration and labour market analysis, including advice on the occupation lists that support skilled visa programmes. Under MACSM's auspices, relevant government departments worked collaboratively to conduct a broad review of the Consolidated Sponsored Occupation List with the objective of ensuring it alignment with the short, medium and long-term needs of the Australian economy and the objectives of the skilled migration programme.

Under the National Innovation and Science Agenda (NISA) announced by the Government on 7 December 2015, work commenced in 2015–16 to implement a new temporary entrepreneur visa with a pathway to permanent residency. This visa is designed for entrepreneurs with innovative ideas and financial backing from a third party and will support initiatives to drive prosperity by putting innovation and science at the centre of the Government's economic narrative.

In addition, an enhanced pathway to permanent residence will be made available for postgraduate researchers from Australian universities with postgraduate science, technology and mathematics (STEM) and information communications technology (ICT) qualifications.

**Criterion:** Support a strong and cohesive Australian society through the promotion of a unifying citizenship.<sup>132</sup>

Met

**Result:** The Department continued to promote the value of Australian citizenship throughout 2015–16. In the reporting period 133,126 new Australian citizens accepted the responsibilities and privileges of citizenship by becoming a formal member of the Australian community through the conferral pathway. This commitment to Australia and Australian values, such as dignity and freedom of all people, the equality of men and women and the rule of law, help build and support a strong and cohesive Australian society.

The value of Australian citizenship as a common bond in our diverse society was recognised in citizenship ceremonies held as part of Australian Citizenship Day (17 September 2015) and Australia Day (26 January 2016), and through Australia's Local Hero category of the Australian of the Year Awards and the Australian Citizenship Affirmation.

131 Deliverable from Programmes 2.1, 2.2 and 2.3 in the PBS 2015–16, p. 62.

132 Criterion from Corporate Plan 2015–19, p. 35 and Programme 2.4 in the PBS 2015–16, p. 64. PBS criterion included 'deliver a Humanitarian

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## OVERALL ANALYSIS OF FUNCTION 3

Permanent migration and temporary entry are key contributors to Australia's economic, demographic, cultural and social needs. Targeted migration facilitates the lawful and orderly entry and stay of people in Australia and allows the Government to respond to Australia's changing economic, cultural and social needs.

In 2015-16 the Department continued to develop and implement strategies to strengthen the economic, cultural and social benefits achieved from permanent and temporary entry, while protecting the Australian community and promoting the value of citizenship. As in previous years, about two-thirds of permanent visas were issued to skilled migrants and their families in the employer sponsored, general skilled and business categories, striking a balance between sustainable family reunion and maximising Australia's longer term economic growth and prosperity.

While permanent visa, temporary visa and citizenship programmes were delivered in accordance with legislative requirements and applicable visa processing directions, some service standard targets were not met.

For permanent visa programmes, the continued high demand from people wanting to live and work in Australia exceeded the number of available places, placing pressure on processing capacity. The service delivery standard for citizenship conferral applications was not met due to continued high demand from people wanting to become Australian citizens.

Similarly, there continued to be an increase in temporary visa applications lodged, underpinned by growth in Australia's key tourism and education markets, driven by improved global economic conditions and the steady rise in travel by the growing Chinese middle class. As a result of these increases and pressures placed on processing capacity, the service standard targets were not met for several temporary visa programmes, including for the student visa and working holiday maker programmes.

Service standards across all programmes were also impacted by a greater focus on identity and integrity requirements in decision-making.

The Department continues to implement initiatives to improve our capacity to meet this sustained demand including, but not limited to, moving clients from high-cost, resource-intensive service channels to online channels. This includes expanding ImmiAccount, increasing online lodgement, trialling web chat services, engaging clients via social media and using online booking systems. Other initiatives aim to reduce the regulatory burden, such as ceasing Australian visa labels, and expand the use of international service delivery partner arrangements.

# FUNCTION 4: DELIVERY OF HUMANITARIAN AND REFUGEE PROGRAMMES

**Impact:** A prosperous and cohesive society that is supported by effective refugee and humanitarian programmes delivered in partnership with other agencies

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## OVERVIEW OF FUNCTION 4

This function involves the delivery of refugee and humanitarian programmes through the provision of policy, advice and services, and includes management of the legacy caseload of illegal maritime arrivals.

The Department identifies key elements of the performance of this function as to:

- advance Australia's interests on migration and refugee issues internationally
- maximise the cooperation and collaboration on refugee, asylum seeker and humanitarian issues with all levels of government, international partners and key stakeholders
- continue to develop policy, programme design and procedures to improve the efficiency, effectiveness, accountability and integrity of the Humanitarian Programme.

Footnotes provide additional information about the source of each criterion.

## CORPORATE PLAN PERFORMANCE

Function 4 Delivery of humanitarian and refugee programmes	2015–16 source	Result
<p><b>Criterion:</b> Contribute to global efforts to address refugee and humanitarian issues while advancing Australia’s interests, and contribute to social cohesion by providing programmes and services as part of a whole of government arrangement, including through delivery of a programme consisting of:</p> <ul style="list-style-type: none"> <li>• 13,750 places for 2015–16, comprising:                             <ul style="list-style-type: none"> <li>• a minimum of 11,000 places made available in the offshore component, to be shared between the refugee and the special humanitarian programme categories, including a minimum of 1,000 places for women at risk</li> <li>• the remaining 2750 places made for non-illegal maritime arrivals for permanent protection in the onshore component.<sup>133</sup></li> </ul> </li> </ul>	Corporate Plan, PBS	<b>Met</b>
<p><b>Result:</b> The Refugee and Humanitarian Assistance Programme was fully delivered in 2015–16, with 17,555 visas granted. This included 15,552 visas under the offshore component and 2003 visas under the onshore component. The offshore component of the programme includes 3790 visas granted as part of the Government’s commitment to deliver 12,000 additional humanitarian programme places for people displaced by conflicts in Syria and Iraq. Within the offshore component 6730 visas were granted under the refugee category and 5032 were granted under the Special Humanitarian Programme (SHP). In 2015–16 a total of 1277 Woman at Risk visas were granted. This included visas granted under the annual 2015–16 Humanitarian Programme, and those granted towards the additional 12,000 places for Syrian and Iraqi refugees as part of the Syrian and Iraqi Humanitarian Crisis Measure.</p>		

133 Programme of 13,750 places in 2015–16 and 2016–17, 16,250 places in 2017–18 and 18,750 places in 2018–19’.

Function 4	2015–16	Result
Delivery of humanitarian and refugee programmes	source	Result
<b>Criterion:</b> Productive working relations are maintained with international partner agencies with regard to Australia's contribution to strengthening the international protection framework in countries other than Australia. <sup>134</sup>	Corporate Plan, PBS	<b>Met</b>

**Result:** Australia works closely with the United Nations High Commissioner for Refugees (UNHCR) on a range of international protection issues, including resettlement and supporting refugees and displaced populations in the Asia-Pacific and other regions. As a member of the UNHCR executive committee, Australia participated in the organisation's governance and continued to support the international protection system through the Refugee and Humanitarian Assistance Programme, financial support, and contributions to the policy settings for strategic responses to particular refugee issues. In March 2016 Australia participated in the UNCHR High Level Meeting on global responsibility sharing through pathways for admission of Syrian refugees, pledging additional funding of \$8.5 million to enhance the UNHCR's capability to deliver on increased refugee resettlement places and the Syrian-related activities they are managing.

As one of the top three resettlement countries, Australia continued to be an active and influential participant in international forums on resettlement, including the Annual Tripartite Consultations on Resettlement with the UNHCR, and working with resettlement countries and non-government organisation (NGO) partners. Australia took an active role in the UNHCR-led contact and core groups, which were established to promote collaboration and ensure greater predictability and sustainability in resettlement efforts. These groups encouraged increased dialogue with host countries and focused on strengthened protection mechanisms and support strategies to benefit refugees who remain in host countries. Australia co-chairs the Pakistan Contact Group for Afghan refugees and is Chair of the Bhutanese Core Group.

As an active member of the Five Country Conference (FCC) resettlement network, Australia took part in discussions about cooperation on global resettlement matters. These discussions included communicating about biometric capabilities and fraud mitigation strategies to ensure the integrity of offshore refugee resettlement processes, and advancing the FCC's annual research project on Syrian refugee resettlement with a view to strengthening collaboration and information-sharing.

<b>Criterion:</b> Australia's bilateral and multilateral activity in relation to migration and refugee issues has a positive effect on managed migration and refugee issues internationally, as evidenced by internal evaluation and review outcomes. <sup>135</sup>	Corporate Plan, PBS	<b>Met</b>
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**Result:** Australia continued to engage in a range of multilateral forums to support Australia's interests and to exert a positive influence on global managed migration and refugee issues. As a member state of the International Organization for Migration (IOM), Australia participated in the organisation's governance mechanisms, contributed to policy discussions and supported cooperation on managed migration processes. The IOM is a strategic partner for Australia on a wide range of managed migration, development and humanitarian responses.

Australia's engagement with the IOM on matters such as assisted voluntary returns and enhancing border integrity in the region form part of Australia's approach to achieving its national security objectives.

Australia's participation in the Intergovernmental Consultations (IGC) on migration, asylum and refugees provided opportunities to debate policy, exchange information, and benchmark Australian policies on a range of migration, asylum and refugee issues.

As a member of the Global Forum on Migration and Development (GFMD), Australia engaged in the governing arrangements and policy discussions of the largest international platform for dialogue and cooperation in international migration and development.

134 Criterion from Corporate Plan 2015–19, p. 35 and Programme 2.4 in the PBS 2015–16, p. 64.

135 Criterion from Corporate Plan 2015–19, p. 35 and Programme 2.4 in the PBS 2015–16, p. 64.

Table 6:

**Corporate Plan performance criteria**  
**Function 4: Delivery of humanitarian and refugee programmes**

Criterion	2014-15 Actual	2015-16 Target	2015-16 Actual	Result
Refugee and humanitarian places <sup>136</sup>	13,756 <sup>a</sup>	13,750	13,764	<b>Met</b>

a. As information has been drawn from dynamic system environments the information provided differs from the 2014-15 Annual Report.

136 Criterion from Corporate Plan 2015-19, p. 35 and Programme 2.4 in the PBS 2015-16, p. 64.

## PORTFOLIO BUDGET STATEMENTS PERFORMANCE

### Function 4:

#### Delivery of humanitarian and refugee programmes Result

**Criterion:** Over the agreed programme years, deliver the 12,000 additional humanitarian places for those displaced by the conflicts in Syria and Iraq announced on 9 September 2015 by the then Prime Minister.<sup>137</sup> **Met**

**Result:** In 2015–16, 3790 visas were granted as part of the 12,000 additional humanitarian places to be delivered over several programme years for those displaced by the conflict in Syria and Iraq.

**Criterion:** The onshore component of the Humanitarian Programme is delivered in line with agreed planning levels.<sup>138</sup> **Met**

**Result:** The Department delivered 2003 onshore permanent Protection visas which was in line with agreed planning levels set by the Australian Government.

**Criterion:** Legislation to implement a Temporary Protection Visa (TPV) for those requiring Australia's protection who arrived in Australia illegally.<sup>139</sup> **Met**

**Result:** This was delivered in 2014–15 with the passage of the *Migration and Maritime Powers Legislation Amendment (Resolving the Asylum Legacy Caseload) Act 2014* (RALC Act) and *Migration Amendment (Protection and Other Measures) Act 2015* (POM Act).

**Criterion:** Legal services for decision-makers, policy makers and Government that ensure that the onshore protection framework is appropriately managed.<sup>140</sup> **Met**

**Result:** The Legal Division has continued to provide extensive legal training to decision-makers and support staff to ensure that the onshore protection framework is appropriately managed. The Division further supported the management of this complex caseload by providing legal advice across a range of issues, and a legal quality assurance process in relation to protection visa decisions. The Division also managed the judicial review of unsuccessful protection claims, provided advice on reducing legal risk and assisted in interpreting judgements.

137 Deliverable from Programme 2.4 in the PAES 2015–16, p. 31.

138 Deliverable from Programme 2.4 in the PBS 2015–16, p. 64.

139 Deliverable from Programme 2.4 in the PBS 2015–16, p. 64.

140 Deliverable from Programme 2.4 in the PBS 2015–16, p. 64.

**Function 4:**

**Delivery of humanitarian and refugee programmes**

Result

**Criterion:** Care and supervision services for eligible Unaccompanied Humanitarian Minors (UHMs).<sup>141</sup>

**Met**

**Result:** Eligible unaccompanied minors who have been granted a visa offshore under Australia's Humanitarian Programme, or granted a protection visa in Australia (including TPV or Safe Haven Enterprise visa (SHEV)) receive relevant care, accommodation, supervision and support services.

Minors in the UHM programme include those who fall under the auspices of the *Immigration (Guardianship of Children) Act 1946* (IGOC Act), where the Minister for Immigration and Border Protection is their legal guardian, as well as a number of unaccompanied minors who are not covered by the IGOC Act.

Throughout 2015-16 the Department worked with state and territory child welfare authorities and service providers to oversee the national delivery of the UHM programme, including providing assistance and support in relation to UHMs' welfare, wellbeing, successful settlement in the Australian community and transition to adulthood.

In the 2015-16 programme year, 33 minors entered the UHM programme and 84 minors left the UHM programme, with a majority of minors exiting because they turned 18 years of age.

At 30 June 2016, 206 minors were receiving services in the UHM programme.

**Criterion:** Australia continues to be a leading resettlement country in terms of numbers of people resettled.<sup>142</sup>

**Met**

**Result:** In 2015-16 Australia maintained its position as a leading resettlement country, ranking among the top three countries that resettle refugees.

**Criterion:** Australia's international protection obligations are reflected in an effective onshore protection framework including articulated policies and procedures relating to the assessment of protection claims.<sup>143,144</sup>

**Met**

**Result:** Australia provides protection to refugees consistent with its obligations as set out in the statutory refugee framework provisions of the *Migration Act 1958*, including complementary protection obligations derived from relevant international treaties and incorporated into paragraph 36(2) of the *Migration Act 1958*. Protection claims are assessed against this framework with reference to up-to-date information on conditions in an applicant's home country. Applicants for protection must also satisfy health, identity, character and security checks.

Policy and procedural guidance support the assessment of protection claims under Australia's statutory refugee framework.

141 Deliverable from Programme 2.4 in the PBS 2015-16, p. 64.

142 KPI from Programme 2.4 in the PBS 2015-16, p. 64. Further performance results are also reported under Corporate Plan performance criterion 'Contribute to global efforts to address refugee and humanitarian issues while advancing Australia's interests, and contribute to social cohesion by providing programme and services as part of a whole of government arrangement'.

143 KPI from Programme 2.4 in the PBS 2015-16, p. 64.

144 The results for this criterion also address criterion 'Legislation and policy changes that strengthen the integrity of Australia's onshore protection framework' from Programme 2.4 in the PBS 2015-16, p. 64.

**Function 4:****Delivery of humanitarian and refugee programmes****Result**

**Criterion:** Supporting the Bali Process through contributions made to the Regional Support Office to implement a range of practical initiatives to combat people smuggling, human trafficking and transnational crime.<sup>145</sup>

**Met**

**Result:** As part of Australia's engagement in the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime, the Department continued funding to meet the operational costs of the Regional Support Office (RSO), including funding an Australian co-manager, a senior IOM policy officer and several administrative staff.

The Department has supported the RSO to deliver the following practical initiatives in 2015–16:

In response to a directive from the 5th Bali Process Regional Ministerial Conference, the RSO and the Jakarta Centre for Law Enforcement Cooperation developed a Regional Capacity Building Programme which has seen an initial meeting of Regional Centres of Excellence funded by the Indonesian Government. Future work will include the development of a framework of standard training, a regional training catalogue of training activities and a questionnaire for Bali Process states.

The Curriculum for Frontline Border Officers, a capacity-enhancement programme for frontline border officials, is implemented under the auspices of the RSO. The curriculum aims to strengthen the capacity of Bali Process member states to better address trafficking in people, people smuggling and transnational crime through improved border management. The curriculum is available for use by all Bali Process member states.

A Quick Reference Guide to help frontline officers to profile travellers and travel documents was developed.

The pocket-sized guide will contribute to improved border management by strengthening the capacity of Bali Process member states to effectively profile incoming passengers and their travel documents. This is critical to disrupting the irregular movement of people and to making timely border management decisions.

The Assisted Voluntary Returns and Reintegration project is funded by Australia and implemented by the IOM under the auspices of the RSO. The project provides a regional support mechanism to help with the voluntary, safe and dignified return of irregular migrants located in Bali Process Member States for whom no other mechanism exists to facilitate their voluntary return.

**Criterion:** Work collaboratively with international organisations to develop policy and services for irregular migrants.<sup>146</sup>

**Met**

**Result:** The Department continued to promote regional cooperation and undertake associated activities through bilateral and multilateral engagement with foreign governments, international organisations, and international consultative forums and processes.

Under the Regional Cooperation Arrangements (RCAs), the Department funded the IOM to provide food, accommodation, emergency medical assistance and counselling to asylum seekers in the Asia-Pacific region, primarily in Indonesia, and assistance to people wishing to voluntarily return to their countries of origin.

145 Deliverable from Programme 1.6 in the PBS 2015–16, p. 54.

146 Deliverable from Programme 1.6 in the PBS 2015–16, p. 54.

**Function 4:**

**Delivery of humanitarian and refugee programmes**

Result

**Criterion:** The enhanced capacity of states to manage irregular migration through the region, including that of asylum seekers.<sup>147</sup>

**Met**

**Result:** Australia is playing a leading role in our region to manage irregular migration and to combat people smuggling and human trafficking. As co-chair of the Bali Process, we are continuing to encourage and work with countries to develop regional solutions and address root causes of irregular migration.

The Minister for Immigration and Border Protection led Australia’s delegation at the sixth Bali Process Ministerial Conference on 23 March 2016. At the conference, ministers adopted the Bali Declaration—a historic instrument that reaffirmed regional commitment to dealing with protection issues, promoting regular migration pathways, countering criminal networks and addressing human trafficking and people smuggling. The conference also adopted a consultation mechanism for more rapid, timely responses to urgent irregular migration issues or future emergency situations in the region.

The Department funded the Roundtable on Returns and Reintegration, held in Manila on 3–4 December 2015. A key recommendation from this roundtable was the establishment of a technical experts group on returns and reintegration. Work is underway to implement this recommendation.

The Department funded non-government organisations (NGOs) to support displaced migrants in countries such as Afghanistan, Iran, Jordan, Pakistan and Sri Lanka, including reducing migrant vulnerability to people smuggling and human trafficking and supporting the voluntary return of displaced migrants to their home countries.

NGO assistance included vocational and livelihood training, education, basic household and temporary shelter kits, and raising awareness of the dangers of irregular migration and available social support services.

**Criterion:** The Regional Support Office is effectively acting as a key coordination point for migration management and increased protection capacity in the region.<sup>148</sup>

**Met**

**Result:** The RSO pursued a range of initiatives to enhance migration management and protection capacity in the region by coordinating activities such as:

- developing the Regional Biometric Data Exchange policy framework that will support the exchange of biometric data between interested Bali Process members for identity verification purposes
- developing policy guides on criminalising migrant trafficking and smuggling, and policy guides on the protection and identification of victims of trafficking. The policy guides have been translated into several regional languages for use by Bali Process Member States.

147 KPI from Programme 1.6 in the PBS 2015–16, p. 54.

148 KPI from Programme 1.6 in the PBS 2015–16, p. 54.

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## OVERALL ANALYSIS OF FUNCTION 4

The International Capacity Building Programme delivered activities to support the Department's international objectives in 2015–16, including responding to humanitarian crises in Asia and the Middle East, progressing a dialogue on potential changes to enhance the international protection system and promoting a regional approach to the management of people and goods.

The 2015–16 programme year saw continued conflict in Syria and Iraq. As the scale of displacement and the need for resettlement grew, the Australian Government responded by committing an additional 12,000 resettlement places under the Humanitarian Programme for those displaced by the conflict in Syria and Iraq, to be delivered over several programme years.

The Department has well-established processes, staff and missions, experienced in processing applications for resettlement under Australia's Humanitarian Programme. To respond to the additional 12,000 places, the Department mobilised existing resources in the Middle East region and deployed additional staff to help with the increased volume. The Department also worked closely with partner agencies. As a result, allocations under the 2015–16 Humanitarian Programme were met and there was firm progress towards granting the additional 12,000 visas.

Both the offshore and onshore component of Australia's Humanitarian programme were delivered in line with the Australian Government's agreed planning levels for the programme.

# FUNCTION 5: OFFSHORE MARITIME SECURITY

**Impact:** Australia's maritime environment is protected from security threats

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## OVERVIEW OF FUNCTION 5

This function involves ensuring the security of Australia's maritime zones and offshore territories and assets (in conjunction with other agencies such as the Australian Defence Force and Australian Federal Police). The Department identifies key elements to the performance of the function as:

- maritime surveillance and response, including support to the Joint Agency Task Force responsible for Operation Sovereign Borders
- developing and maintaining strong strategic partnerships with regional and international countries and agencies, to understand, shape and respond to threats to our civil maritime security
- harnessing technology to exchange information and intelligence with partners across the region.

Footnotes provide additional information about the source of each criterion.

## CORPORATE PLAN PERFORMANCE

Function 5:	2015–16	
Offshore maritime security	source	Result
<b>Criterion:</b> Promote the security of Australia's maritime zone and assets and economic prosperity. <sup>149</sup>	Corporate Plan	<b>Met</b>

**Result:** The Department through its operational arm, the Australian Border Force (ABF), fulfils a critical role in the protection of Australia's maritime zone. Maritime Border Command (MBC), a multi-agency Task Force embedded within the ABF Operations Group, protects Australia's economic and security interests by generating awareness of illegal activity in Australia's maritime domain and by responding, in collaboration with partner agencies, to mitigate or eliminate risks posed by civil maritime security threats. The Department further promotes security through a variety of initiatives that include international engagement and cooperation, information-sharing with other agencies and nations, and joint operational activities such as shared maritime operations.

During 2015–16 MBC contributed to protecting Australia's fishing industry and natural resources and the environment by dismantling illegal, unreported, unregulated fishing syndicates operating in the Southern Ocean that were linked to European organised-crime syndicates. These operations were welcomed by industry stakeholders and environmental advocates.

<b>Criterion:</b> Coordinate whole-of-government efforts to mitigate, or eliminate, the risks posed by civil maritime security threats by detecting, reporting and responding to potential or actual non-compliance with relevant laws in the Australian maritime jurisdiction. Also including through:	Corporate Plan, PBS	<b>Met</b>
<ul style="list-style-type: none"> <li>• the control and coordination of maritime domain awareness</li> <li>• conducting aerial and commercial satellite surveillance</li> <li>• coordinating surface response vessels</li> <li>• appropriate threat and risk assessment</li> <li>• processing of apprehended illegal foreign fishers onshore</li> <li>• responding to and initial processing of mainland illegal maritime arrivals</li> <li>• effective coordination with partner agencies.<sup>150</sup></li> </ul>		

**Result:** As a multi-agency task force, MBC maintained the security of Australia's maritime environment against numerous civil maritime security threats by delivering a range of responses in collaboration with partner agencies. Those responses included targeted counter-narcotics transshipment operations, illegal fishing operations, Convention on International Trade in Endangered Species (CITES) Species Protection operations, and illegal maritime migration and environmental patrols.

MBC consistently engaged with domestic and international partners and stakeholders, and contributed in high-level forums with industry partners, including oil and gas security forums, to ensure we met the needs of clients as threats developed.

MBC operations focussed on ensuring the compliance of operators in the maritime security space and when undertaking enforcement actions.

<sup>149</sup> Criterion from Corporate Plan 2015–19, p. 36.

<sup>150</sup> Criterion from Programme 1.1 in the PBS 2015–16, p. 43 excluded 'effective coordination with partner agencies' and also included the following:

- increase the use of biometrics and identity management services to facilitate the movement of legitimate travellers, and detect and deter those who pose a risk to the Australian community and national interest
- promote a high level of confidence in the accurate identification of people entering and departing Australia and those likely to threaten the national interest. These are reported under Function 2 as separate corporate plan criteria. Criterion also from Corporate Plan 2015–19, p. 36.

Table 7:

## Corporate Plan performance criterion

### Function 5: Offshore maritime security

Criterion	2014–15 Actual	2015–16 Target	2015–16 Actual	Result
Aerial surveillance coverage (square nautical miles):				
• Contracted aircraft and Royal Australian Air Force assets (square nautical miles) <sup>a, 151</sup>	149.0m	136.0m	108.5m	Not met
• Commercial contracted satellite (square nautical miles) <sup>152</sup>	9.7m	9.6m	0	Not met
Australian Border Force Cutters (ABFC) <i>Ocean Shield</i> surveillance (patrol days) <sup>b, 153</sup>	142	300	333	Met
Ashmore vessel (station and steaming days) <sup>c, 154</sup>	331	320	291	Not met
Marine Unit (patrol days) <sup>d, 155</sup>	1,691	2,400	1,952	Not met
Northern waters surveillance Australian Customs Vessel (ACV) <i>Triton</i> (patrol days) <sup>e, 156</sup>	289	–	–	n/a
Number of apprehensions of illegal foreign fishing vessels <sup>157</sup>	6	45	20	Not met
Number of illegal foreign fishers apprehended and processed <sup>158</sup>	34	400	192	Not met

- a. The targets are based on the contribution made by both DIBP and Australian Defence Force assets. The reduction in 2015–16 and 2016–17 reflects the cessation of funding for 2,000 aerial surveillance hours delivered by Reims aircraft in 2014–15. The targets for 2014–15 onwards are based on the premise that funding for increased surveillance hours will be fully allocated to the Dash-8 aircraft, with the reduction in 2017–18 reflecting the cessation of this additional funding.
- b. ABFC *Ocean Shield* was funded for 300 patrol days in 2015–16.
- c. ACV *Ashmore Guardian* was deployed near-permanently at the Ashmore Reef National Nature Reserve and Cartier Island Marine Reserve until December 2013. The vessel was replaced by ABFC *Thaiyak*.
- d. In addition to the Marine Unit assets, on any given day the Royal Australian Navy provides seven of the 14 *Armidale* class patrol boats in support of Operation Resolute. Another two boats can also be made available on request.
- e. ABFC *Triton* programme ended on 30 June 2015.

151 Criterion from Corporate Plan 2015–19, p. 37 and Programme 1.1 in the PBS 2015–16, p. 45.

152 Criterion from Corporate Plan 2015–19, p. 37 and Programme 1.1 in the PBS 2015–16, p. 45.

153 Criterion from Programme 1.1 in the PBS 2015–16, p. 45. The wording in Corporate Plan 2015–19 was ACV Ocean Shield surveillance (patrol days) p 37 'ACV' updated post integration to Australian Border Force Cutters (ABFC).

154 Criterion from Corporate Plan 2015–19, p. 37 and Programme 1.1 in the PBS 2015–16, p. 45.

155 Criterion from Corporate Plan 2015–19, p. 37 and Programme 1.1 in the PBS 2015–16, p. 45. PBS criterion included 'ACBPS'.

156 Criterion from Corporate Plan 2015–19, p. 37 and Programme 1.1 in the PBS 2015–16, p. 45.

157 Criterion from Corporate Plan 2015–19, p. 37 and Programme 1.1 in the PBS 2015–16, p. 46.

158 Criterion from Corporate Plan 2015–19, p. 37 and Programme 1.1 in the PBS 2015–16, p. 46.

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## OVERALL ANALYSIS OF FUNCTION 5

In 2015–16 the Department’s strategy for civil maritime security delivered increased international cooperation, utilised assets for multi-purpose capabilities and achieved compliance and enforcement in Australia’s maritime domain. The establishment of the ABF, as a result of the integration of the former Department of Immigration with the Australian Customs and Border Protection Service (ACBPS), provided greater internal advocacy and support for Maritime Border Command (MBC) at the policy, programme and operational levels. Integration provided the opportunity to build upon established domestic and international arrangements to promote the conduct of civil maritime security operations and to identify new and different ways to partner with stakeholders to deliver civil maritime security surveillance and response activities.

MBC focussed on positive and increased international engagement to work beyond our borders and improved information-sharing with our partner agencies.

This intelligence-led approach provided a greater understanding of transnational crime links with domestic and international problems and enabled assets to be effectively positioned to detect and respond to maritime threats in a timely manner. Global issues, including greater pressures on natural resources in our region and emerging trends in maritime people smuggling, were addressed through increased and more effective use of surveillance assets such as satellites and aircraft resources. The *Cape Class* patrol boats delivered enhanced response capability.

Surveillance flights focussed on the high-risk areas of Christmas Island and Cocos (Keeling) Island as well as flights across the northern approaches to the Australian continent. The transit time to the surveillance area resulted in an overall decrease of area covered but increased coverage of the zones presenting the greatest civil maritime security threat to Australia.

In 2015–16 MBC’s satellite contracts moved from specific Heard Island and McDonald Island Exclusive Economic Zone surveillance to commercial satellite imagery capable of providing surveillance throughout the Australian maritime domain, providing coverage when and as required by operational users targeted on a range of developing threats. This revised system uses both radar and optical imagery.

Marine Unit patrol days were reduced due to the loan of two *Cape* Class vessels to the Royal Australian Navy (RAN), which affected 80 days of operations with the requirement to transfer operational control of the vessels and train RAN crew to operate them. The RAN has contributed personnel, maintenance and fuel costs under the loan to support Operation Resolute. The *Cape* Class also had some significant maintenance issues in relation to a whole-of-fleet stern tube deficiency which required additional maintenance (of approximately 160 days) to be undertaken. Additional patrol days were achieved by recommissioning the *Bay* Class to operate in the Torres Strait (180 days).

Funding for northern waters surveillance ACV *Triton* did not continue in 2015–16, hence this key performance indicator could not be reported on. However, the Department is

contributing to northern waters patrol days by contributing Marine Unit personnel to joint patrols through the operations of ADV *Ocean Protector*. This vessel was commissioned by the RAN in early February 2016 to contribute to Operation Resolute.

Illegal foreign fishing vessel apprehensions were significantly lower than the PBS target as a consequence of the deterrent effect of our surveillance to ensure compliance. Compliant behaviour of foreign fishers was also strengthened through increased information-sharing and investigations support with our domestic and international partnerships. These actions resulted in an increase in compliant fishing and a decreased level of illegal foreign fishing activity within the Australian Fishing Zone (AFZ).

Continued efforts in Australia’s northern waters also contributed to the major decrease in illegal foreign fishing activity. The processing and apprehension of illegal foreign fishers was significantly below the PBS target as a consequence of the deterrent effect of our surveillance and enforcement efforts, which have seen decreased illegal foreign fishing activity and sightings within the AFZ. Additionally, when enforcement action was taken, there were few fishers on board.

# FUNCTION 6: REVENUE COLLECTION

**Impact:** Revenue is collected in support of the Government's fiscal and policy objectives

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## OVERVIEW OF FUNCTION 6

This function ensures that relevant duties, taxes and charges are correctly assessed, reported and paid, and that revenue concessions, exemptions and refunds are correctly applied. The Department identifies key elements of the performance of the function as to:

- ensure the application of border fees, charges and taxes are aligned with the Government's fiscal and policy objectives and the costs of managing the border are appropriately shared with users of this strategic asset
- enhance the capability to identify, target and disrupt revenue evasion and non-compliance
- deliver on the additional revenue commitments made to Government through the reform of our enforcement operations.

Footnotes provide additional information about the source of each criterion.

## CORPORATE PLAN PERFORMANCE

Function 6:	2015-16	
Revenue collection	source	Result
<p><b>Criterion:</b> Provide assurance that visa application charges, border revenue administered by the Department and revenue collected on behalf of other agencies is correctly assessed, reported and paid.<sup>159</sup></p> <p><b>Result:</b> The Department has well established investigation, monitoring and evaluation capabilities to ensure that border revenue administered by the Department and revenue collected on behalf of other agencies is correctly assessed, reported and paid. This includes having systems and processes in place to identify and address potential revenue evasion across the border continuum. The Department’s governance framework oversees the effectiveness of these activities and ensures accountability and that continuous improvement is being made.</p>	Corporate Plan, PBS	<b>Met</b>
<p><b>Criterion:</b> Provide assurance that revenue is protected by checking the correct application of refunds, concession and exemptions.<sup>160</sup></p> <p><b>Result:</b> To ensure the protection of revenue, the Department undertakes a number of activities to ensure that refunds, concessions and exemptions are correctly claimed. These activities include having dedicated resources to assess applications for refunds, concessions and exemptions, and using intelligence-informed, risk-based approaches to undertake interventions and post-transaction audits to ensure the correct revenue is being paid. Where non-compliance is detected the Department utilises a suite of treatments aimed at correcting behaviours and ensuring future compliance.</p>	Corporate Plan, PBS	<b>Met</b>
<p><b>Criterion:</b> Undertake effective risk-based investigations and compliance activities, to promote observance of Australian border laws as they relate to revenue reporting and payment obligations collecting and administering the passenger movement charge.<sup>161</sup></p> <p><b>Result:</b> The Department has continued to pursue a seamless border management system not only to improve the flow of goods but also to implement efficiencies in the collection of revenue. A key enabler for efficient revenue collection is the risk-based and intelligence-led approach the Department employs. This allows for quick processing of compliant revenue reports and payments while simultaneously enabling the Department to direct resources to areas where there is suspected revenue evasion or fraud.</p>	Corporate Plan, PBS	<b>Met</b>
<p><b>Criterion:</b> Administer the Tourist Refund Scheme.<sup>162</sup></p> <p><b>Result:</b> In 2015-16, the Department administered the Tourist Refund Scheme (TRS) effectively on behalf of several government agencies.</p>	Corporate Plan, PBS	<b>Met</b>

159 Criterion from Corporate Plan 2015-19, p. 38 and Programme 3.1 in the PBS 2015-16, p. 71. PBS criterion does not refer to 'visa application charges'.

160 Criterion from Corporate Plan 2015-19, p. 38 and Programme 1.1 in the PBS 2015-16, p. 71.

161 Criterion from Corporate Plan 2015-19, p. 38 and Programme 3.1 in the PBS 2015-16, p. 71. PBS criterion included 'undertaking effective risk-based investigations and compliance activities, to promote observance of Australian border laws as they relate to revenue reporting and payment obligations'.

162 Criterion from Corporate Plan 2015-19 also included '...ensuring that 90 per cent of refunds under the scheme are delivered in accordance with service standards.' was a typographical error. This was intended for a different type of refund and cannot be reported against for the Tourist Refund Scheme. The criterion in Programme 3.1 in the PBS 2015-16, p. 71 was 'administering the Tourist Refund Scheme'.

Table 8:

## Corporate Plan performance criteria

### Function 6: Revenue collection

Criterion	2014–15 Actual	2015–16 Target	2015–16 Actual	Result
Collection of revenue associated with passenger movements <sup>163</sup>	\$881.3m	\$936.1m	\$913.5m	<b>Not met</b>
Significant revenues collected (including customs duty, passenger movement charge, import processing charge and GST collected) <sup>164</sup>	\$15,657m	\$17,655.4m	\$19,066.0m	<b>Met</b>
Proportion of refunds and drawbacks delivered in accordance with client service standards <sup>165, 166</sup>	Refunds: 98%	Refunds: 90%	<b>Refunds: 98.83%</b>	<b>Refunds: Met</b>
	Drawbacks: 84.57%	Drawbacks: 90%	<b>Drawbacks: 83.7%</b>	<b>Drawbacks: Not met</b>
Visa Application Charge revenue <sup>167</sup>	\$1,818.7m	\$1,811.0m	\$1,914.0m	<b>Met</b>

Table 9:

## PBS performance criteria aligned with Function 6: Revenue collection

Criterion	2014–15 Actual	2015–16 Target	2015–16 Actual	Result
<b>Duty concessions:</b> <sup>168</sup>				
• Tariff concessions system (range)	\$1,862m	\$1,819m to \$2,010m	\$1,863m	<b>Met</b>
• all other concessions schemes (range)	\$479m	\$305m to \$337m	\$539m	<b>Not met</b>
<b>Administration of the Tourist Refund Scheme:</b> <sup>169</sup>				
• number of assessed refund declarations	765,503	–	839,876	<b>n/a</b>
• number of approved refund declarations	735,804	–	828,243	<b>n/a</b>
• value of approved refund declarations	\$166.9m	–	\$194.4m	<b>n/a</b>

163 Criterion from Corporate Plan 2015–19, p. 38 and Programme 3.1 in the PBS 2015–16, p. 71 (target figure updated from Programme 3.1, PAES 2015–16, p. 35).

164 Criterion from Corporate Plan 2015–19 p.38 and Programme 3.1 in the PBS 2015–16, p. 71 (target figure updated from Programme 3.1, PAES 2015–16, p. 35).

165 Criterion from the Corporate Plan 2015–19, p. 38 was 'proportion of refunds under the Tourist Refund Scheme and drawbacks delivered in accordance with client service standards'. The reference to Tourist Refund Scheme was an error and has been removed.

166 Criterion from Corporate Plan 2015–19, p. 38 and Programme 3.1 in the PBS 2015–16, p. 73.

167 Criterion from Corporate Plan 2015–19, p. 38.

168 Deliverable from Programme 3.1 in the PBS 2015–16, p. 71.

169 Deliverable from Programme 3.1 in the PBS 2015–16, p. 71.

Criterion	2014–15 Actual	2015–16 Target	2015–16 Actual	Result
<b>Administration of the refund scheme:<sup>a, 170</sup></b>				
• number of assessed refund declarations	98,191	–	131,205	n/a
• number of approved refund declarations	97,314	–	130,751	n/a
• value of approved refund declarations	\$268.3m	–	\$313.8m	n/a
<b>Administration of the duty drawback scheme:<sup>a, 171</sup></b>				
• number of drawback claims lodged	3,581	–	3,474	n/a
• value of drawbacks paid	\$86.4m	–	\$161.3	n/a
Number of external merit and judicial review applications on refund and drawback claims finalised during the performance period <sup>a, 172</sup>	2	–	1	n/a
Number of external merit and judicial review applications finalised that overturn decision on refund or drawback claims <sup>a, 173</sup>	0	–	0	n/a
Number of external merit and judicial review applications finalised during the performance period on a decision made under Part XVA of the <i>Customs Act 1901</i> <sup>a, 174</sup>	7	–	7	n/a
Number of external merit and judicial review applications finalised that overturned a decision under Part XVA of the <i>Customs Act 1901</i> <sup>a, 175</sup>	3	–	0	n/a
Value of revenue understatements identified from investigation and compliance activities <sup>a, b, 176</sup>	\$126.6m	–	\$83.2m	n/a

a. Performance or volume cannot be forecast reliably.

b. Previously this key performance indicator (KPI) recorded net revenue adjustments from investigation and compliance activities. As the DIBP investigation and compliance effort is focussed on detecting revenue understatements rather than revenue overstaterments, the KPI has been adjusted accordingly.

170 Deliverable from Programme 3.1 in the PBS 2015–16, p. 72.

171 Deliverable from Programme 3.1 in the PBS 2015–16, p. 72.

172 KPI from Programme 3.1 in the PBS 2015–16, p. 73.

173 KPI from Programme 3.1 in the PBS 2015–16, p. 73.

174 KPI from Programme 3.1 in the PBS 2015–16, p. 73.

175 KPI from Programme 3.1 in the PBS 2015–16, p. 73.

176 KPI from Programme 3.1 in the PBS 2015–16, p. 73.

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## OVERALL ANALYSIS OF FUNCTION 6

In 2015–16, revenue collections associated with passenger movements were higher than previous years due to an increase in passenger numbers but lower than the budget estimate.

Significant revenues were up 7.99 per cent (or \$1410.6 million) against published *Portfolio Additional Estimates Statements 2015–16* figures. Growth in significant revenue was principally attributed to increased tobacco collections as a result of higher excise rates and increased volumes driven by the shift from domestic production to overseas import. Other general revenue and GST collected also contributed to strong result albeit to a lesser extent.

Visa Application Charge revenue increased against budget. This is predominantly due to the price increases as part of a measure agreed at the 2015–16 Budget.



# REPORT ON FINANCIAL PERFORMANCE

## Part 4

## DEPARTMENTAL OPERATING RESULT

The Department of Immigration and Border Protection's 2015–16 financial performance continued to be strong. After adjusting for unfunded depreciation and amortisation expenses, our operating result was a deficit of \$21.7 million. This result was attributable to changes in government

bond rates and the corresponding increases to the Department's employee provisions and labour expenses of \$22.3 million. If not for this adjustment the Department would have finished the year on budget, which is an outstanding result given the operational pressures facing the organisation throughout the year.

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## EXPENSES

The Department's total expenses in 2015–16 were \$2986.1 million, which was \$139.3 million higher than that reported in 2014–15 (\$2846.8 million).

The Department's 2015–16 administered expenses were \$2307.0 million, which was lower

than the prior year figure of \$2543.7 million. The variance is mainly attributable to the reduced costs associated with the management of IMAs.

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## REVENUE

The Department's funding is largely appropriation based and includes funding generated under two funding model agreements. These models had fixed and variable components, with variable funding adjusted to reflect actual movements in a number of the Department's key workload drivers—that is, visa processing decisions, citizenship decisions and border movements.

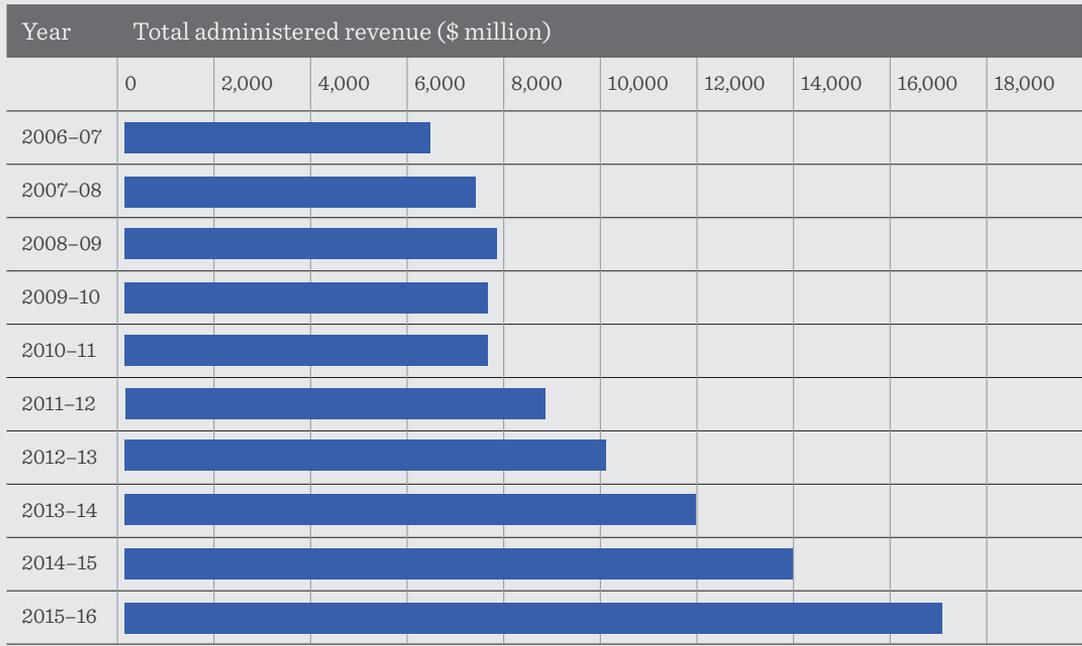
The Department's 2015–16 statement of comprehensive income reports revenue

from Government of \$2494.9 million for appropriation and own-source income of \$192.0 million—a total of \$2686.9 million. This is a \$38.1 million decrease when compared with last year (\$2725.0 million).

Administered revenue in 2015–16 was \$17,322.4 million, which was \$3318.8 million higher than 2014–15 (\$14,003.6 million). This was largely driven by an increase in collections of customs duty for imported tobacco products.

Figure 4:

### Administered revenue trend



Note: The graph above shows the trend of administered revenue for the Department and the previous Australian Customs and Border Protection Service.

## TOTAL ASSETS

At 30 June 2016 the Department held total assets of \$1882.2 million, \$12.4 million higher than the Department's 30 June 2015 asset position. This increase was predominately a result of increases in fixed assets.

Administered assets held by the Department at 30 June 2016 totalled \$1965.6 million. These administered assets primarily relate to detention and regional processing land, buildings and infrastructure.

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## TOTAL LIABILITIES

At 30 June 2016 the Department reported total liabilities of \$737.5 million, a decrease of \$10.1 million compared with the previous financial year. The change in the liability balances mainly relates to a decrease in wages and salaries payable (accrued wages for one day in 2015–16 compared to nine days

in 2014–15) offset by an increase in employee provisions driven primarily by movements in the government bond rate.

Administered liabilities were \$279.2 million at 30 June 2016, a decrease of \$34.0 million compared to 2014–15.

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## NET ASSETS

Overall, the Department's 2015–16 net asset position of \$1144.7 million (assets minus liabilities) increased in comparison with 2014–15 by \$22.5 million (Figure 5).

The Department had a strong net asset position at 30 June 2016 whereby liabilities equated to 39 per cent of the total asset base.

Figure 5:

### Departmental assets, liabilities and net equity trend



Note: The graph above shows the combined trend for the Department and the previous Australian Customs and Border Protection Service.

Table 10:

**All Outcomes—financial resources summary 2015–16**

	Budget 2015–16 <sup>a</sup> \$'000	Actual Expenses 2015–16 \$'000
<b>Administered</b>		
<b>Outcome 1:</b> Protect Australia's sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.	2,307,255	2,215,114
<b>Outcome 2:</b> 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.	89,447	78,231
<b>Outcome 3:</b> Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	–	13,688
<b>Total Administered expenses</b>	<b>2,396,702</b>	<b>2,307,033</b>
<b>Departmental</b>		
<b>Outcome 1:</b> Protect Australia's sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.	1,753,455	1,990,291
<b>Outcome 2:</b> 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.	773,119	878,822
<b>Outcome 3:</b> Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	112,342	117,034
<b>Total departmental expenses</b>	<b>2,638,916</b>	<b>2,986,147</b>
<b>Total departmental and administered expenses</b>	<b>5,035,618</b>	<b>5,293,180</b>

a. Budget relates to the revised budget estimates reported in the PAES 2015–16.

Table 11:

## Financial resource statement 2015–16

	Actual available appropriation for 2015–16 \$'000	Payments made 2015–16 \$'000	Balance remaining 2015–16 \$'000
<b>Ordinary annual services</b>			
Appropriation receivable	412,801	398,209	14,592
Departmental appropriation <sup>a</sup>	2,634,299	2,274,575	359,724
Section 74 of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)—relevant agency receipts	211,194	211,194	–
<b>Total</b>	<b>3,258,294</b>	<b>2,883,978</b>	<b>374,316</b>
<b>Administered expenses</b>			
Outcome 1	2,333,353	2,147,366	
Outcome 2	89,447	59,957	
Outcome 3	–	–	
<b>Total</b> <sup>b</sup>	<b>2,422,800</b>	<b>2,207,323</b>	
<b>Total ordinary annual services</b>	<b>A 5,681,094</b>	<b>5,091,301</b>	
<b>Departmental non-operating</b>			
Equity injections	226,857	155,235	71,622
<b>Total</b>	<b>226,857</b>	<b>155,235</b>	<b>71,622</b>

a. Appropriation Bill (No.1) 2015–16 and Appropriation Bill (No.3) 2015–16. Includes an amount of \$116.6 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 2015–16 for administered expenses. Includes an amount \$26.1 million for the administered capital budget. For accounting purposes, this amount has been designated as 'contributions by owners'.

Table 11:

## Financial resource statement 2015-16 continued

	Actual available appropriation for 2015-16 \$'000	Payments made 2015-16 \$'000	Balance remaining 2015-16 \$'000
<b>Administered non-operating</b>			
Administered assets and liabilities	205,690	136,402	69,288
Payments to Commonwealth Companies (PGPA Act) bodies-non-operating	-	-	-
<b>Total</b>	<b>205,690</b>	<b>136,402</b>	<b>69,288</b>
<b>Total other services</b>	<b>B</b>	<b>432,547</b>	<b>291,637</b>
<b>Total available annual appropriations and payments</b>	<b>6,113,641</b>	<b>5,163,570</b>	
<b>Special appropriations</b>			
<b>Special appropriations limited by criteria/entitlement</b>			
Migration Act s. 332B		-	
Special appropriation <i>Public Governance, Performance and Accountability Act 2013</i>		517,776	
Taxation Administration Act 1953 - s.16		192,695	
<b>Special appropriations limited</b>			
By amount		-	
<b>Total special appropriations</b>	<b>C</b>	<b>710,471</b>	

Table 11:

## Financial resource statement 2015–16 continued

	Actual available appropriation for 2015–16 \$'000	Payments made 2015–16 \$'000	Balance remaining 2015–16 \$'000
<b>Special accounts</b>			
Opening balance	54	–	
Appropriation receipts	–	–	
Appropriation receipts—other agencies	–	–	
Non-appropriation receipts to special accounts	–	–	
Payments made	–	54	
<b>Total special account</b>	<b>D 54</b>	<b>54</b>	<b>–</b>
<b>Total resourcing and payments A+B+C+D</b>	<b>6,113,695</b>	<b>6,093,463</b>	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	–	–	
<b>Total net resourcing and payments for the Department</b>	<b>–</b>	<b>–</b>	

The appropriation in the table above, are as originally passed by the Australian Parliament. Elements of the Department's funding and revenue adjustments are reflected in the financial year in which the activity occurs, with the corresponding appropriation adjustment occurring in the following financial year.

Table 12:

## Outcome 1 financial resources summary for 2015–16

<b>Outcome 1:</b> 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 <sup>a</sup> \$'000	Actual Expense 2015–16 \$'000	Variations 2015–16 \$'000
<b>Programme 1.1: Border Enforcement</b>			
<b>Departmental expenses:</b>	917,057	975,123	58,066
Departmental appropriation <sup>b</sup>			
Expenses not requiring appropriation in the Budget year <sup>c</sup>	94,561	118,927	24,366
<b>Total expenses for Programme 1.1</b>	<b>1,011,618</b>	<b>1,094,050</b>	<b>82,432</b>
<b>Programme 1.2: Border Management</b>			
<b>Administered expenses:</b>	23,094	-	-23,094
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)			
<b>Departmental expenses:</b>	225,185	236,840	11,655
Departmental appropriation <sup>b</sup>			
Expenses not requiring appropriation in the Budget year <sup>c</sup>	27,332	27,269	-63
<b>Total expenses for Programme 1.2</b>	<b>275,611</b>	<b>264,109</b>	<b>-11,502</b>
<b>Programme 1.3: Compliance and Detention</b>			
<b>Administered expenses:</b>	219,069	271,795	52,726
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)			
<b>Departmental expenses:</b>	216,706	226,570	9,864
Departmental appropriation <sup>b</sup>			
Expenses not requiring appropriation in the Budget year <sup>c</sup>	35,399	20,434	-14,965
<b>Total expenses for Programme 1.3</b>	<b>471,174</b>	<b>518,799</b>	<b>47,625</b>
<b>Programme 1.4: IMA Onshore Management</b>			
<b>Administered expenses:</b>	1,026,174	841,417	-184,757
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)			
<b>Departmental expenses:</b>	335,902	235,085	-100,817
Departmental appropriation <sup>b</sup>			

<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.</b>	<b>Budget 2015-16<sup>a</sup> \$'000</b>	<b>Actual Expense 2015-16 \$'000</b>	<b>Variations 2015-16 \$'000</b>
Expenses not requiring appropriation in the Budget year <sup>c</sup>	62,564	18,349	-44,215
<b>Total expenses for Programme 1.4 (2015-16 structure)</b>	<b>1,424,640</b>	<b>1,094,851</b>	<b>-329,789</b>
<b>Programme 1.5: IMA Offshore Management</b>			
<b>Administered expenses:</b> Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	965,420	1,022,928	57,508
<b>Departmental expenses:</b> Departmental appropriation <sup>b</sup>	44,757	101,247	56,490
Expenses not requiring appropriation in the Budget year <sup>c</sup>	70,767	5,336	-65,431
<b>Total expenses for Programme 1.5</b>	<b>1,080,944</b>	<b>1,129,511</b>	<b>48,567</b>
<b>Programme 1.6: Regional Cooperation</b>			
<b>Administered expenses:</b> Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	73,498	78,974	5,476
<b>Departmental expenses:</b> Departmental appropriation <sup>b</sup>	13,848	23,968	10,120
Expenses not requiring appropriation in the Budget year <sup>c</sup>	757	1,143	386
<b>Total expenses for Programme 1.6</b>	<b>88,103</b>	<b>104,085</b>	<b>15,982</b>
<b>Total expenses for Outcome 1</b>	<b>4,352,090</b>	<b>4,205,405</b>	<b>-146,685</b>
<b>Average staffing level (number)</b>	<b>8,244</b>	<b>8,429</b>	<b>185</b>

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 13:

## Outcome 2 financial resources summary for 2015–16

<b>Outcome 2:</b> 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 <sup>a</sup> \$'000	Actual Expense 2015–16 \$'000	Variations 2015–16 \$'000
<b>Programme 2.1: Citizenship</b>			
<b>Departmental expenses:</b>	61,388	76,076	14,688
Departmental appropriation <sup>b</sup>			
Expenses not requiring appropriation in the Budget year <sup>c</sup>	4,975	8,293	3,318
<b>Total expenses for Programme 2.1</b>	<b>66,363</b>	<b>84,369</b>	<b>18,006</b>
<b>Programme 2.2: Migration</b>			
<b>Departmental expenses:</b>	257,903	253,578	-4,325
Departmental appropriation <sup>b</sup>			
Expenses not requiring appropriation in the Budget year <sup>c</sup>	21,336	38,442	17,106
<b>Total expenses for Programme 2.2</b>	<b>279,239</b>	<b>292,020</b>	<b>12,781</b>
<b>Programme 2.3: Visa</b>			
<b>Departmental expenses:</b>	358,530	349,273	-9,257
Departmental appropriation <sup>b</sup>			
Expenses not requiring appropriation in the Budget year <sup>c</sup>	31,396	53,711	22,315
<b>Total expenses for Programme 2.3</b>	<b>389,926</b>	<b>402,984</b>	<b>13,058</b>

<b>Outcome 2:</b> 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 <sup>a</sup> \$'000	Actual Expense 2015-16 \$'000	Variations 2015-16 \$'000
<b>Programme 2.4: Refugee and Humanitarian Assistance</b>			
<b>Administered expenses:</b> Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	89,447	78,231	-11,216
<b>Departmental expenses:</b> Departmental appropriation <sup>b</sup>	95,298	87,054	-8,244
Expenses not requiring appropriation in the Budget year <sup>c</sup>	3,159	12,395	9,236
<b>Total expenses for Programme 2.4</b>	<b>187,904</b>	<b>177,680</b>	<b>-10,224</b>
<b>Total expenses for Outcome 2</b>	<b>923,432</b>	<b>957,053</b>	<b>33,621</b>
<b>Average staffing level (number)</b>	<b>5,045</b>	<b>4,857</b>	<b>-188</b>

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 14:

## Outcome 3 financial resources summary for 2015–16

<b>Outcome 3:</b> 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 \$'000 <sup>a</sup>	Actual Expense 2015–16 \$'000	Variations 2015–16 \$'000
<b>Programme 3.1: Border Revenue Collection</b>			
<b>Administered expenses:</b> Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	–	13,688	13,688
<b>Departmental expenses:</b> Departmental appropriation <sup>b</sup>	67,954	76,520	8,566
Expenses not requiring appropriation in the Budget year <sup>c</sup>	23,228	6,762	-16,466
<b>Total expenses for Programme 3.1</b>	<b>91,182</b>	<b>96,970</b>	<b>5,788</b>

<b>Outcome 3:</b> 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 \$'000 <sup>a</sup>	Actual Expense 2015-16 \$'000	Variations 2015-16 \$'000
<b>Programme 3.2: Trade Facilitation and Industry Engagement</b>			
<b>Departmental expenses:</b>	44,388	31,607	-12,781
Departmental appropriation <sup>b</sup>			
Expenses not requiring appropriation in the Budget year <sup>c</sup>	8,750	2,145	-6,605
<b>Total expenses for Programme 3.2</b>	<b>53,138</b>	<b>33,752</b>	<b>-19,386</b>
<b>Total expenses for Outcome 3</b>	<b>144,320</b>	<b>130,722</b>	<b>-13,598</b>
<b>Average staffing level (number)</b>	<b>461</b>	<b>547</b>	<b>86</b>

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)'.<sup>c</sup>

c. Expenses not requiring appropriation in the Budget year are made up of Depreciation Expense, Amortisation Expense and Cost Recovery Expense.



# MANAGEMENT AND ACCOUNTABILITY

## PART 5

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# CORPORATE GOVERNANCE

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## STATEMENT OF MAIN GOVERNANCE PRACTICES

**T**he 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 has a clear framework for its governance and decision-making processes, and that roles and responsibilities be clearly defined to ensure objectives are achieved effectively and efficiently.

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## SENIOR EXECUTIVES

The Department's senior executive team at 30 June 2016:



**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 14,200 staff across the Department and the Australian Border Force (ABF). He was responsible for ensuring the integrity of Australia's borders, with border security a key component of Australia's national security arrangements. Michael oversaw the effective management of the movement of people and goods across our border and maintained the integrated Department's integrity.



**Roman Quaedvlieg APM** commenced as the inaugural ABF Commissioner on 1 July 2015, having previously been the Chief Executive Officer and Comptroller-General of the former Australian Customs and Border Protection Service (ACBPS). In 2015–16 Roman led more than 5000 personnel responsible for protecting Australia's national borders and fostering lawful cross-border trade and travel. Roman oversaw a range of complex capabilities and assets across the border continuum, including a fleet of ocean-going patrol vessels, systems to manage people and goods at border entry and exit points, and the onshore immigration detention network. To deliver on the ABF's mission, Roman ensured close cooperative and effective partnerships with other government and international agencies that had a role in supporting the integrity of Australia's borders.



**Rachel Noble PSM** was the Deputy Secretary of the Policy Group and the Deputy Comptroller-General. Rachel was responsible for ensuring the Department's comprehensive policy capability, including a broad range of high-level responsibilities covering strategic policy and planning, immigration and citizenship, trade, traveller, customs and industry, as well as international activities. She also exercised an executive support function.



**Dr Jill Charker** was the Chief Operating Officer (COO) and Deputy Secretary Corporate Group. Jill had responsibility for delivery of people, health, corporate support, finance, legal, integrity, 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 identity and biometrics capabilities.



**Michael Manthorpe PSM** was the Deputy Secretary of the Visa and Citizenship Services Group. Michael had overall responsibility 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. He was also responsible for the administration of the Refugee and Humanitarian Assistance Programme.



**Jenet Connell** was initially the Deputy Secretary of the Detention Capability Review Taskforce, and assumed the role of Deputy Secretary of the Strategic Reform Group in December 2015. During the year Jenet was responsible for a fundamental review of Australia's immigration detention and regional processing network to ensure that it was strategically aligned, affordable, sustainable and supported current and future capability needs. In addition, Jenet was responsible for working across the Department to develop, monitor and communicate the future reform programme and resultant business and cultural change.



**Cindy Briscoe** was Deputy Commissioner Support Group of the Australian Border Force. Cindy was responsible for delivering operational strategy, planning and capability development for the ABF. Additionally, Cindy led the programmes that support regional processing, onshore detention and community detention.



**Michael Outram APM** was the Deputy Commissioner for the Operations Group within the Australian Border Force. The Group delivered operational activities on behalf of the Department across the border continuum through compliance, enforcement and investigations to protect Australia. This includes the clearance and facilitation of travellers and goods while maintaining Australia's sovereignty through border protection of both land and maritime domains. This also included contributing to whole-of-government law enforcement and national security outcomes as well as managing unlawful non-citizens within immigration detention and through field compliance intervention activity.

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## GOVERNANCE STRUCTURE

Governance within the Department refers to the arrangements and practices which 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 that provide clear and transparent governance arrangements. These arrangements have produced an effective and open decision-making system with clearly defined roles and responsibilities, including accountability and delegation for decision-making that encourage 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:

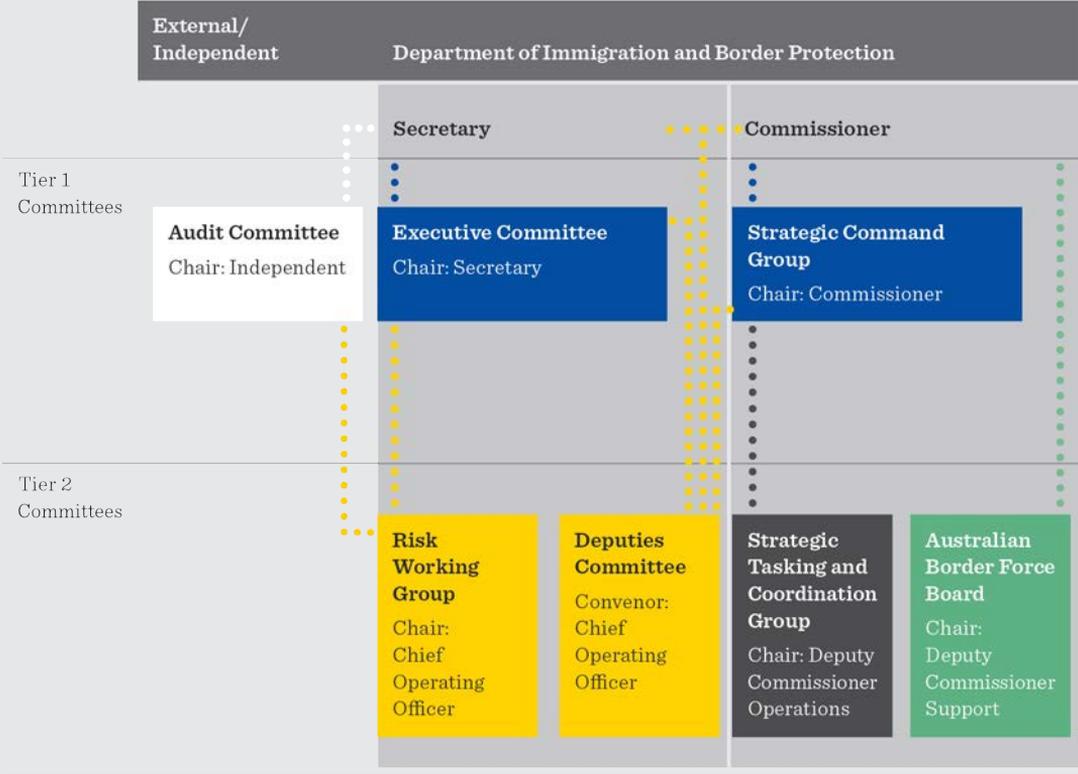
- Executive Committee
- Audit Committee
- Deputies Committee
- Risk Working Group.

The Australian Border Force Commissioner was supported by the:

- Strategic Command Group
- Australian Border Force Board
- Strategic Tasking and Coordination Group.

Figure 6:

Primary functions of the various governance bodies for 2015-16



## EXECUTIVE COMMITTEE

The Executive Committee was the Department's premier forum for discussion and advice to the Secretary and the ABF Commissioner 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 sponsor agenda items in line with accountabilities, facilitate open discussion, problem-solving, and the resolution of issues.

The Deputies Committee replaced the Strategy and Capability Committee, the Capability Reform and Delivery Committee and the Resources Committee effective from 27 August 2015.

## AUDIT COMMITTEE

Section 45 of the PGPA Act requires the Secretary to ensure the Department has an audit committee. The role of the Audit Committee was to provide independent assurance and assistance to Executives on the Department's risk oversight and management, its system of internal controls, financial reporting and performance reporting. The Audit Committee does not have executive powers, except for the power delegated to it by the executives.

The Audit Committee was directly responsible and accountable to the executives for the exercise of its responsibilities. In carrying out its responsibilities, the Audit Committee must at all times recognise that primary responsibility for the management of the Department rests with the senior executives.

The Audit Committee was chaired by an external member who reports to the Secretary after each meeting on the Committee's operations and activities. The Audit Committee meets a minimum of four times per year, typically on a quarterly basis. Additional special meetings are held as necessary to clear the financial statements.

## RISK WORKING GROUP

The Risk Working Group advised the Secretary and the ABF Commissioner, through the Executive Committee, on all aspects of risk management within the Department.

The Risk Working Group presented advice relevant to the risk framework and the operation of that framework to the Department's Audit Committee as a standing agenda item. Consideration of risk issues and proposals were undertaken from a range of perspectives, including, but not limited to, strategic, operational and corporate perspectives.

The Chief Operating Officer was the Chair and meetings were held quarterly, with additional meetings or out-of-session clearance of matters as required.

## STRATEGIC COMMAND GROUP

The Strategic Command Group is responsible for endorsing input into the Department's Strategic Plan, and setting ABF operational priorities for the financial year.

The ABF Commissioner was the Chair and the responsible officer for the decisions and directions of the Strategic Command Group, which met once every three months.

## AUSTRALIAN BORDER FORCE BOARD

The ABF Board (the Board) provided strategic direction, guidance management and oversight of the key activities relating to the establishment of the ABF. The Board, chaired by Deputy Commissioner Support Group, provides an avenue for effective decision-making as well as providing recommendations to the Department and the ABF executive. The Board covers the related projects and activities for the ABF establishment.

Meetings were held weekly with the option to increase frequency and/or call emergency meetings if the Chair requires.

## STRATEGIC TASKING AND COORDINATION GROUP

The Strategic Tasking and Coordination Group (STCG) supported the work of the Strategic Command Group (SCG) and reports to it. The STCG was responsible for developing, implementing and monitoring the operational priorities authorised by the SCG. These were used to provide direction to all organisational units responsible for ABF operational output.

The STCG was responsible for ensuring the completion, monitoring and implementation of enforcement strategies and the intelligence,

disruption, enforcement and compliance plans for the operational priorities set by the SCG.

The Chair of the STCG was the Deputy Commissioner Operations Group. The Chair was responsible for the decisions and directions of the group. The group met monthly.

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## CORPORATE AND BUSINESS PLANNING

The Department's *Strategy 2020*, launched on 2 July 2015, gave staff and stakeholders a clear view of the strategic intent and direction. It provided guidance for developing policy, planning and operations, and was framed around four strategic objectives, designed to encompass the Department's responsibilities and activities to achieve our mission and contribute to Government outcomes:

- protect Australia
- promote responsive migration
- advance trade and revenue
- lead border innovation.

*Strategy 2020* was the third publication in the Department's integration series, building on the *Blueprint for Integration* and the *Plan for Integration*.

It also supported subsequent strategic planning documents for the organisation.

The Department's *Corporate Plan 2015–16* was published on 31 August 2015 in accordance with the PGPA Act. The Corporate Plan sets out the Department's key priorities to be delivered over a four-year period. Performance against the 2015–16 priorities are addressed throughout this Annual Report, in particular parts 1, 3 and 5.

Business planning is the key mechanism within the Department that aligns activities across all business areas with strategic objectives and key priorities. In 2015–16 the process enabled business areas to identify how they would contribute to achieving organisational outcomes, as outlined in *Strategy 2020* and the Corporate Plan, and established clearer lines of accountability.

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## RISK, FRAUD AND INTEGRITY MEASURES

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### RISK MANAGEMENT

The Department operates in an inherently complex and high-risk environment, with the effective management of risks being essential to achieving its objectives. Active risk management ensures the Department is able to effectively manage future threats and issues, help to set priorities, and seek maximum benefit from opportunities. The Department's approach to risk management is in alignment with section 16 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Commonwealth Risk Management Policy*.

In 2015–16 the Department began implementing its Risk Management Policy and Risk Management Framework. A key focus of implementation in the year under review was on developing a comprehensive and effective approach to managing enterprise risks.

These are few in number but are so important that the nature of the risks and the effectiveness of the controls to manage them must be visible to senior management so that they can be overseen effectively. Senior executives are assigned to manage these risks, with oversight being undertaken by a senior committee chaired by the Deputy Secretary of Corporate Group.

To support the policy and framework, the Department also appointed a Chief Risk Officer to oversee risk management within the Department and an external Risk Adviser to provide independent advice.

As part of an annual review cycle, the Department began extending its risk policy and framework and will prepare a staged roadmap to improve risk management, with a focus on building a positive risk culture.

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### INTERNAL AUDIT

The annual strategic internal audit programme is one of the Department's principal risk mitigation tools and an integral element of our assurance and risk-management arrangements.

The 2015–16 programme was developed before the former Department of Immigration and Australian Customs and Border Protection Service were integrated and was based on an analysis of the risk profiles of both organisations. Extensive consultation with senior leadership was undertaken.

The strategic internal audit programme consisted of 30 audits, covering the following key topics:

- Technology services
- Assurance over reform
- Border management
- Risk, fraud and integrity
- Visa and citizenship
- Finance
- Programme / project management
- Detention
- People.

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## EXTERNAL AUDIT

Throughout 2015–16 the Department also worked closely with the Australian National Audit Office (ANAO) to coordinate overall audit activity. This involved ANAO attending departmental Audit Committee meetings and Financial Statements Sub-Committee meetings.

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## 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.

Since integration, the Department has developed two key documents that detail the approach and strategy to managing internal fraud and corruption risks:

- Fraud Control and Anti-corruption Framework (fraud framework)
- Fraud Control and Anti-corruption Plan 2015–17 (fraud plan).

As set out in the fraud framework, fraud and corruption risks are managed through a strategic partnership between the Department's Executive, business lines and the Integrity, Security and Assurance (ISA) Division. The ISA Division, through its Fraud Control Office (FCO), plays a critical role in

this partnership by analysing systemic fraud risks across the Department and supporting business lines to conduct and develop their risk assessments by identifying risks, controls and treatment actions.

By developing and implementing these key documents, the Department has demonstrated its compliance with the *Commonwealth Fraud Framework 2014* and section 10 of the PGPA Rule 2014.

The Department is currently reviewing its fraud framework and fraud plan to address emerging risks and issues in DIBP's complex operating environment. A revised plan will be in place for the Department by the end of 2016.

## INTEGRITY FRAMEWORK

On 1 July 2015 a comprehensive Integrity Framework was instituted within the Department. The Department also became subject to oversight by the Australian Commission for Law Enforcement Integrity (ACLEI).

The Integrity Framework is a set of measures designed to protect the Department's people, property, systems and information from infiltration and corruption and to support a high-performing, accountable and disciplined workforce.

The measures covered by the framework include the assessment of employment suitability, security screening, mandatory reporting of serious misconduct and criminal activity, drug and alcohol testing, integrity testing, the requirement to declare changes in personal circumstances, certain associations and conflicts of interest, the requirement to seek approval for outside employment and voluntary activities, and restrictions on the use of personal mobile electronic devices in certain operational work areas.

Taskforce Pharos, which ran from December 2013 to 30 June 2015, worked closely with the Australian Crime Commission (now known as the Australian Criminal Intelligence Commission) and ACLEI to identify and respond to indicators of possible misconduct and corruption. The taskforce developed a highly successful capability

framework which continues to support ongoing integrity activities within the Department.

The integrity intelligence function now maintains this capability, focus and approach and is gaining a better understanding of the threat posed by the trusted insider. Trusted insiders may intentionally or unknowingly help external parties, including organised crime, to conduct activities against the organisation through unauthorised access, use or disclosure of privileged information, techniques, technology, assets or premises. Understanding the threat posed by trusted insiders is being achieved through:

- thematic analysis of employees within identified high-risk work areas
- developing a detailed understanding of the vulnerabilities present within the workforce, both contracted and ongoing staff.

In addition to the Integrity Framework, the Department has structures to implement legislative and policy mechanisms, including the Australian Public Service (APS) Employment Principles, Values and Code of Conduct established under the *Public Service Act 1999*, the *Australian Border Force Act 2015*, the *Public Interest Disclosure Act 2013*, the PGPA Act, the *Law Enforcement Integrity Commissioner Act 2006* and the Australian Government's Protective Security Policy Framework.

## ESTABLISHMENT AND MAINTENANCE OF APPROPRIATE ETHICAL STANDARDS

The Department has developed a range of e-learning and training modules to ensure that its staff are able to meet and exceed the appropriate ethical standards.

In 2015–16 this training included workplace behaviour, financial management, fraud and corruption awareness and professional standards.

A pilot programme of specialist training in ethical decision-making was also launched to:

- improve awareness of how the Department's Professional Standards Framework guides decision-making
- improve awareness of the factors involved in recognising and making ethical decisions in the workplace
- provide staff with the skills to identify vulnerabilities, bias and risks in decision-making.

The programme will continue to be rolled out in 2016–17 after the pilot has been evaluated.

The Department has also developed 10 behaviours to integrate the APS Values at working-day level. This is reflected in a values and behaviours strategy to ensure they are applied across the Department. The behaviours were created in consultation with staff and reflect the culture that staff identified as essential to a professional Department.

Values and behaviours leadership conversations were held with Senior Executive Service and Executive Level staff throughout 2015–16 to explore how the Department's behaviours apply in the workplace, to commit to actions to ensure that staff conduct reflects the APS Values and Department's behaviours, and to equip Executive Level staff to have similar conversations with their teams.

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## SENIOR EXECUTIVE SERVICE 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 shows the salary ranges of SES employees within the Department.

All SES employees are required to have a comprehensive individual determination under section 24(1) of the *Public Service Act 1999*, which outlines their conditions of employment, salary, superannuation, and allowance in lieu of a vehicle.

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## NOTIFICATION REQUIREMENTS OF SECTION 19(E) OF THE PUBLIC GOVERNANCE, PERFORMANCE AND ACCOUNTABILITY ACT 2013

There are no matters required to be reported.

# EXTERNAL SCRUTINY

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## SIGNIFICANT DEVELOPMENTS IN EXTERNAL SCRUTINY

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### REPORTS BY EXTERNAL BODIES

#### COMMONWEALTH OMBUDSMAN

The Commonwealth Ombudsman did not release any investigation reports concerning the Department in 2015–16.

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 investigation reports and immigration detention review reports are publicly available at the Commonwealth Ombudsman's website: [www.ombudsman.gov.au](http://www.ombudsman.gov.au)

#### AUSTRALIAN HUMAN RIGHTS COMMISSION

The Australian Human Rights Commission (AHRC) can formally report under the *Australian Human Rights Commission Act 1986*. Six reports concerning the Department were tabled in the Australian Parliament and subsequently published on the AHRC website ([www.humanrights.gov.au](http://www.humanrights.gov.au)). This is a reduction from 22 reports tabled in 2014–15.

The reports are:

- No. 96 LA and LB v Commonwealth of Australia (DIBP) (August 2015)
- No. 98 Kong v Commonwealth of Australia (DIBP) (October 2015)
- No. 99 CM v Commonwealth of Australia (DIBP) (October 2015)
- No. 100 HG v Commonwealth of Australia (DIBP) (December 2015)
- No. 101 AI v Commonwealth of Australia (DIBP) (December 2015)
- No. 103 Ghahani v Commonwealth of Australia (DIBP) (December 2015).

## OFFICE OF THE AUSTRALIAN INFORMATION COMMISSIONER

The Department collaborated with the Office of the Australian Information Commissioner (OAIC) regarding the following privacy assessments over the course of 2015–16:

- *Passenger Name Records: New administrative arrangements*—December 2015
- Assessment of Schedule 7 of the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014*—April 2016.

These assessment reports are publicly available on the OAIC's website, [www.oaic.gov.au](http://www.oaic.gov.au), once finalised.

The OAIC also conducted a privacy assessment of Schedule 6 of the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014*, and the assessment report will be finalised early in 2016–17.

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## JUDICIAL DECISIONS AND DECISIONS OF ADMINISTRATIVE TRIBUNALS

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### NOTABLE DECISIONS

One of the most significant judgments of the year was *Plaintiff M68/2015 v Minister for Immigration and Border Protection & Ors* [2016] HCA 1. It was a significant win for the Minister, with the High Court confirming the validity of the regional processing provisions in the *Migration Act 1958*.

The High Court considered the operation of section 198AHA of the Migration Act, which concerns the Minister's power to take action in relation to regional processing arrangements. In dismissing the application, the majority of the Court held that section 198AHA conferred authority on the Commonwealth to give effect to the arrangements with Nauru for the regional processing of transferees, including to the extent that those arrangements involved the Commonwealth's participation in Plaintiff M68's detention. Further, the Court held that the provision is constitutionally valid.

The Court also held that the Commonwealth's participation in Plaintiff M68's past detention in Nauru was validly authorised by section 198AHA, so long as the detention regime served the purpose of Nauru's regional processing functions.

Another significant judgment was *Minister for Immigration and Border Protection v Hallmark Computer Pty Ltd* [2016] FCA 678. This judgment ordered significant civil penalties for breach of employer sponsorship obligations.

The Department sought the imposition of civil penalties under the *Migration Act 1958* against Hallmark Computer Pty Ltd, a Darwin computer company, and Mr Askok Alexander, its sole director and shareholder, for breaches of employer sponsorship obligations in relation to four employees working on Temporary Work (Skilled) (subclass 457) visas.

The Court found that Hallmark Computer and its owner had committed numerous breaches of sponsorship obligations imposed by the Migration Regulations 1994 in relation to the visa holders which involved underpayment of the sponsored employees, illegal recovery of costs from the employees and requiring one employee to work in a different occupation than the sponsored occupation.

The Federal Court ordered that Hallmark Computer pay a civil penalty to the Commonwealth of \$430,000, and that the owner personally pay a civil penalty of \$86,000 for the breaches. In addition the Court ordered Hallmark Computer to pay restitution to the employees of \$83,465.66 in respect of the underpaid wages, and that the respondents pay the Commonwealth's legal costs.

The Court found that the breaches 'involved calculated, systematic, repeated and callous infringements of the sponsorship conditions and rights of the employees. Those abuses involved a cynical misuse

and exploitation of the superior position of Hallmark Computer'. The Court also referred to the 'consistent deception lies and threats' committed by Mr Alexander until his culpability became undeniable.

The case followed an investigation into Hallmark Computer by the Sponsorship Monitoring Unit within the Border Management Division of the ABF. The civil penalty proceeding was managed by the Legal Division.

The case is significant for the Department in that it was only the third occasion that civil penalties have been obtained for breaches of sponsorship obligations, and the penalties in this case were significantly higher than in the two previous cases.

Civil penalty proceedings are only one of a range of enforcement actions that can be taken in relation to breaches of the Migration Act. Those actions include administrative measures such as:

- cancelling access to the sponsorship programme, or cancelling visas
- infringement notices in lieu of Court action
- criminal prosecution for some offences under the Migration Act and offences which may be available under the Criminal Code.

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## CIVIL LITIGATION

The Department receives a relatively small number of claims for monetary compensation. Under the *Legal Services Directions 2005*, monetary claims can only be settled in accordance with legal principle and practice.

A settlement on the basis of legal principle and practice requires the existence of at least a meaningful prospect of liability being established.

Legitimate claims are usually settled by mediation or negotiated settlement. However complex claims may take some years to finalise.

At 30 June 2016 there were 92 claims for compensation in the courts or with the Fair Work Commission.

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## REPORTS BY THE AUDITOR-GENERAL

The Auditor-General tabled three audit reports relating to the Department in 2015–16:

- *Managing Compliance with Visa Conditions.* This audit assessed how effectively the Department managed compliance with visa conditions. This included whether the Department effectively managed risk and intelligence related to visa holders' non-compliance with their visa conditions and had effective administrative arrangements to support visa holders' compliance with their visa conditions.
- *Administration of Tobacco Excise Equivalent Goods,* which assessed the effectiveness of the administration of tobacco excise and excise-equivalent goods by the Australian Taxation Office (ATO) and the Department of Immigration and Border Protection.
- *Managing Compliance with the Wildlife Trade Provisions of the Environment Protection and Biodiversity Conservation Act 1999.* This audit assessed the effectiveness of the Department of the Environment's and the former Australian Customs and Border Protection Service's management of compliance with the wildlife trade regulations under Part 13A of the *Environment Protection and Biodiversity Conservation Act 1999.*

These audit reports are publicly available on the Australian National Audit Office (ANAO) website: [www.anao.gov.au](http://www.anao.gov.au)

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## COMPLAINTS

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### COMMONWEALTH OMBUDSMAN

The Department received 405 complaints from the Commonwealth Ombudsman in 2015–16, an increase of 61 per cent on the previous year.

In all, 355 complaints were resolved during the period.

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### AUSTRALIAN HUMAN RIGHTS COMMISSION

The Department received 121 complaints from the AHRC in 2015–16, a decrease of 22 per cent on the previous year.

In all, 111 complaints were resolved during the period.

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## OFFICE OF THE AUSTRALIAN INFORMATION COMMISSIONER

### PRIVACY COMPLAINTS

The Department received 11 privacy matters of concern in 2015–16. In all, 21 matters were resolved during the period.

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### FREEDOM OF INFORMATION

During 2015–16 there was a 10.2 per cent increase in freedom of information requests received compared with the previous financial year. The total number of requests received, including amendment requests, was 23,836, with 22,913 requests finalised. A significant proportion of this increase is due to requests by illegal maritime arrivals (IMAs) seeking documents prior to applying for the new

Temporary Protection visas (TPVs) and Safe Haven Enterprise visas (SHEVs).

The Department had a compliance rate of 68.6 per cent of requests finalised within the statutory timeframe. At 30 June 2016 the Department had 2107 overdue requests on hand.

# CLIENT SERVICE EXCELLENCE

The Department is committed to client service excellence and continued to improve services by developing its existing channels and expanding online service delivery across visa and citizenship services.

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## DIGITAL SERVICES

The Department's Channel Management Strategy sets out how we will deliver consistency across all service delivery channels and provide a seamless experience for individuals and businesses, allowing them to access the information they need through simple, easy-to-use digital channels.

ImmiAccount, the Department's online application system, allows individuals and businesses to lodge, track, manage and pay for a range of services. ImmiAccount has grown to now hold approximately 3.9 million accounts, with an average of 6700 new forms submitted every day.

Building on the success of previous years, ImmiAccount is continuously improved to meet the needs and expectations of clients. New features allow clients to update their passport details, appoint a new third party representative and notify the Department of a change in circumstances while their application is being processed.

Clients can now apply for a bridging visa online, ensuring their status remains lawful while their application is being processed.

For some high volume visas, ImmiAccount generates a tailored list of supporting documents based on individual responses in application forms. Ongoing improvements have also reduced paper-based application processes, with ImmiAccount now being available for the approved destination status (ADS) agents in China to lodge Visitor (subclass 600) visa (ADS stream) applications.

The Department is also implementing an online appointment booking service, allowing citizenship applicants to reschedule their test and identity verification appointments at a time convenient to them. This service is available in Melbourne and will be extended to more locations during the 2016-17 financial year.

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## CLIENT EXPERIENCE

The Department is committed to improving its products and services by using regular research to understand the experiences and needs of individuals and businesses. In 2015–16 a number of client experience research activities were undertaken.

Following the launch of the single border.gov.au website in July 2015, the Department is progressing the next phase of improvements to make it easier for users to find and understand information on the website. A wide range of detailed research about visa and citizenship information on the website was conducted to identify areas for improvement. The research included in-depth interviews and surveys. The Department has used this research to inform its improvements to the website and Visa Finder tool.

The Department also undertook user research when designing and developing the online appointment booking service for those seeking to become Australian citizens. Research with individuals was undertaken continuously throughout the design and development of this service and included such activities as user interviews, observations, data analysis, internal shadowing, focus groups and usability testing, with a particular focus on accessibility. The research has informed the design of the service to ensure it is easy for our diverse client base to use.

The Department's service charter requires that all staff are committed to service, and being accountable, respectful, ethical and impartial in dealing with clients.

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## CLIENT SERVICE COUNTERS

The client service counters (CSC) service offer was developed to ensure a nationally consistent, cost-effective client experience to encourage people to take responsibility for managing their own migration affairs through the most appropriate channel. As a result of the successes of the service offer and increasing access to digital options for the Department's clients, face-to-face traffic continues to decline. The CSC service offer has gained further traction through the Government's Digital Transformation Agenda, which mandates the development of digital services to attract and retain clients in the digital channel. To this end, amongst other initiatives, the CSC service is piloting web chat services and client engagement through social media, and is implementing a new client flow tool allowing clients to self-manage bookings and appointments.

These initiatives will align with Digital Transformation Office (DTO) standards, shift clients from high-cost to low-cost channels and establish consistency through the Channel Management Strategy.

Closely tied to this work, the Channel Strategy and Management Branch has initiated a project to look at further integration of face-to-face service delivery across the Department. This integration project is examining face-to-face service delivery of cargo clearance, citizenship, status resolution and client service counters. The work will continue into next financial year and aligns with property consolidation across the Department and the Digital Transformation Agenda, ensuring high-quality online services are designed that result in a lower cost to individuals, businesses and government.

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## SYDNEY SERVICE CENTRE

An operational review of the Sydney Service Centre (SSC) was undertaken to identify opportunities to increase productivity within the existing budget and resources. As a result, a number of initiatives were introduced. Performance metrics were reviewed and key performance indicators (KPIs) were modified to better assess and reflect the performance of frontline staff. A line manager was engaged to focus on the delivery of grade of service requirements, while maintaining a balance between employee occupancy, efficiency and development. This real-time focus on workforce management allows the centre to optimise the capability of frontline staff and better service our clients.

A focus on the development of our leadership team, including a tailored training programme and performance improvement methodology, has provided them with the skills and support they need to further coach and develop their staff.

The service standard for the SSC is to answer 85 per cent of calls within 10 minutes. This is known as the 'grade of service' and is included in the Department's Client Service Charter. These initiatives have contributed to an overall improvement of our grade of service by nearly 20 per cent for 2015-2016.

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## SERVICE DELIVERY PARTNERS

The Department has outsource arrangements with commercial companies overseas to provide visa lodgement support services through service delivery partners (SDPs).

At June 2016, the Department had four commercial partner providers operating Australian Visa Application Centres in 46 countries:

- VFS Worldwide Holdings Limited
- TT Visa Outsourcing Limited
- Teleperformance Limited
- CSRA.

SDP arrangements outsource such administrative tasks as:

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

SDP staff have no involvement in the decision-making process. 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 arrangement where the visa applicant pays for the cost of the service.

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## TRANSLATING AND INTERPRETING SERVICE

The Translating and Interpreting Service (TIS) National connects government, business and communities through the language services it provides. TIS Multilingual was launched in November 2015 and provides online material translated in the top 10 high-demand languages. On 23 February 2015 TIS National launched a new web-based booking system, TIS Online, which enables

agency clients and interpreters to self-manage their on-site interpreter bookings online. TIS Online has enabled TIS National to achieve a higher quality of service, allocating more accredited interpreters, in shorter timeframes and with less manual support by TIS National staff. By 1 October 2015 take-up of self-managed bookings was 99.3 per cent.

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## ETHNIC LIAISON OFFICERS

The Department's ethnic liaison officers (ELOs) engage with key communities around Australia to deliver departmental and whole-of-government policy and programme information related to the Department.

Throughout 2015–16, ELOs liaised with the community on topics including Living Safe Together, Refugee Week 2016, travel for Hajj pilgrims and Australia's response to the Syrian and Iraqi humanitarian crisis.

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## PURCHASER-PROVIDER ARRANGEMENTS

The Department has arrangements in place with the Department of Foreign Affairs (DFAT) and the Australian Trade Commission (Austrade) for the provision of 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.

The Department signed a three-year agreement with DFAT in June 2012 to cover the period from 1 July 2012 to 30 June 2015.

The Department agreed to DFAT's request to extend the current agreement for a further two years to 30 June 2017 while renegotiations take place. The Department also signed an agreement with Austrade in August 2012 for the period 1 September 2012 to 30 June 2015. This agreement has also been extended to 30 December 2016 while renegotiations take place.

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 and/or locally engaged staff at post. The Department's total 2015–16 SLA costs were \$6,998,943 (DFAT) and \$934,982 (Austrade).

# MANAGEMENT OF HUMAN RESOURCES

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## ASSESSMENT OF EFFECTIVENESS IN MANAGING AND DEVELOPING HUMAN RESOURCES TO ACHIEVE DEPARTMENTAL OBJECTIVES

The establishment of the new Department of Immigration and Border Protection on 1 July 2015 provided an opportunity to build a strong and responsive workforce to protect Australia's border and manage the movement of people and goods across it.

Over the next five years the Department will continue to pursue a comprehensive reform agenda across all areas of our business. The reforms will result in the introduction of new operating models supported by new processes, the adoption of advances in technology and changes to the way the workforce will deliver the Department's mission.

Workforce mobility will provide the Department and the Australian Border Force (ABF) with the flexibility to align our human resources to changing business requirements. Mobility is supported by integrated human resource policies and the development of a career framework based on five vocational streams: border force, policy, client services, intelligence, and enabling and support. Leveraging the range of professional expertise across the vocational streams has seen blended teams being used. In these cases members of different vocational streams work together to achieve a common goal.

Activities undertaken during 2015–16 to effectively manage and develop human resources to achieve the Department's objectives include:

- finalising the *People Strategy 2020* to provide the Department with an overarching vision for its people and management of human resources
- ongoing negotiation of a single Enterprise Agreement (EA) to set employment terms and conditions for the whole Department
- finalising a High Performance Culture Framework which provides the overarching principles to create a high-performing organisation
- implementing an Awards Framework
- finalising a Leadership Strategic Plan that articulates the Department's leadership vision and strategies to instil a common leadership framework across all vocations and employment levels
- defining the capabilities and competencies for job roles across the Department's five vocational streams.

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## WORKFORCE PLANNING, STAFF RETENTION AND TURNOVER

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### WORKFORCE PLANNING

The Department's workforce planning capability is maturing as an integral component of its overall planning cycle. Ensuring the workforce is flexible and has the capabilities required to meet current and emerging issues continues to be a priority.

The Department is developing a strategic workforce plan, supported by divisional workforce plans and detailed workforce metrics.

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### WORKFORCE COMPOSITION

The Department's workforce is located in every state and territory and in more than 50 locations internationally. At 30 June 2016 the Department employed 14,241 ongoing and non-ongoing staff under the *Public Service Act 1999*. It also employed 1191 locally engaged staff at international locations. The Department of Foreign Affairs and Trade administers locally engaged staff on behalf of the Department.

For 2015–16 the voluntary separation rate of ongoing staff was 6.4 per cent and the external recruitment rate was 12.8 per cent.

Table 15 shows the staffing headcount by actual classification. Table 16 shows the Senior Executive Service (SES) headcount by gender. Table 17 shows the staffing headcount by location.

At 30 June 2016 the Department's workforce comprised:

- 13,484 ongoing and 757 non-ongoing staff
- 87 per cent full-time staff and 13 per cent part-time staff
- 54 per cent female staff and 46 per cent male staff
- workers with an average age of 42.8.

Table 15:

## Staffing headcount by actual classification

Actual classification	30 June 2015			30 June 2016		
	Ongoing	Non-ongoing	Total	Ongoing	Non-ongoing	Total
Graduate/Trainee/Cadet	79	–	<b>79</b>	162	–	<b>162</b>
APS Level 1	12	–	<b>12</b>	16	–	<b>16</b>
APS Level 2	20	1	<b>21</b>	43	297	<b>340</b>
APS Level 3	2,631	431	<b>3,062</b>	2,607	219	<b>2,826</b>
APS Level 4	1,630	145	<b>1,775</b>	1,787	85	<b>1,872</b>
APS Level 5	2,714	91	<b>2,805</b>	2,792	42	<b>2,834</b>
APS Level 6	2,709	85	<b>2,794</b>	2,884	84	<b>2,968</b>
Executive Level 1	2,145	25	<b>2,170</b>	2,256	25	<b>2,281</b>
Executive Level 2	723	3	<b>726</b>	752	4	<b>756</b>
SES Band 1	120	1	<b>121</b>	137	1	<b>138</b>
SES Band 2	36	–	<b>36</b>	40	–	<b>40</b>
SES Band 3	8	–	<b>8</b>	8	–	<b>8</b>
<b>Total</b>	<b>12,827</b>	<b>782</b>	<b>13,609</b>	<b>13,484</b>	<b>757</b>	<b>14,241</b>

Note:

- Figures are actual classification and figures include staff acting at different classifications on 30 June 2015 and 30 June 2016.
- 30 June 2015 figures are a combination of the Department of Immigration and Border Protection and Australian Customs and Border Protection Services (ACBPS) prior to integration.
- APS classifications include the equivalent ACBPS classifications.
- Figures include staff on leave.
- Figures exclude the Secretary and ABF Commissioner, locally engaged staff and staff on secondment.

Table 16:

## Senior Executive Service headcount by gender

Actual classification	30 June 2015			30 June 2016		
	Men	Women	Total	Men	Women	Total
SES Band 1	69	52	<b>121</b>	76	62	<b>138</b>
SES Band 2	24	12	<b>36</b>	28	12	<b>40</b>
SES Band 3	3	5	<b>8</b>	3	5	<b>8</b>
<b>SES Sub-total</b>	<b>96</b>	<b>69</b>	<b>165</b>	<b>107</b>	<b>79</b>	<b>186</b>

Table 17:

## Staffing headcount by location

State and territory location	30 June 2015	30 June 2016
National Office	5,347	5,573
New South Wales	2,729	2,807
Victoria	2,059	2,230
Queensland	1,220	1,278
South Australia	598	621
Western Australia <sup>a</sup>	1,009	1,085
Tasmania	166	159
Northern Territory	215	222
ACT and Regions Office	42	38
Overseas (Australia-based staff)	152	152
Overseas (other)	72 <sup>b</sup>	76 <sup>c</sup>
<b>Ongoing and non-ongoing total</b>	<b>13,609</b>	<b>14,241</b>
Overseas (locally engaged staff) <sup>d</sup>	1,130	1,191
<b>Total</b>	<b>14,739</b>	<b>15,432</b>

a. Figures include staff located on Christmas Island.

b. Figure includes 27 staff on short-term missions located overseas, and four staff in PNG as part of the whole-of-government Strongim Gavman Programme, one staff member involved in the Five Country Exchange Programme, and 24 staff in Nauru and 16 in Manus.

c. Figure includes 37 staff on short-term missions located overseas, and four staff in PNG as part of the whole-of-government Strongim Gavman Programme, five staff seconded to another agency or program, and 18 staff in Nauru and 12 in Manus.

d. Locally engaged staff are employees administered by DFAT on behalf of the Department.

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## PEOPLE MANAGEMENT INITIATIVES

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### PEOPLE STRATEGY

Work is well underway to implement the Department's *People Strategy 2020*, which provides the overarching vision for managing and developing its people. Implementation of the strategy will ensure our people have the skills, knowledge and experience to successfully deliver on all aspects of our business.

The Department has begun a review of all Executive Level (EL) positions and staff to ensure that their roles are appropriately classified and that they have the leadership

capabilities to be effective in their roles. This work builds on a similar process undertaken for senior executive positions in the Department.

Work is progressing against five vocational streams—border force, policy, intelligence, client services, enabling and support—to ensure the Department's workforce is professional, capable, mobile and well positioned to respond to changing demands and priorities.

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### TALENT MANAGEMENT

The Department has an integrated Career Management Framework to build a high-performance workforce and provide opportunities to enhance career growth and increase staff motivation. Within the framework the talent management programme, along with succession planning, are identified priorities through which to build organisational capability and help to retain staff. The programme recognises high-performing and high-potential staff and prepares them for advancement. It also embeds succession planning to consolidate the development of our solid contributors and emerging leaders.

In conjunction with our workforce planning and recruitment initiatives, the framework takes a targeted talent approach to attract the necessary skills for critical roles. It embraces secondments and overseas postings, recognising that through the breadth of experience they provide, these opportunities significantly contribute to developing and maintaining a high-performing workforce. The Department's review of its EL staff is a part of this talent management approach.

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## SES DEVELOPMENT STRATEGY

Building on the work conducted during 2014–15, a new Leadership Strategic Plan was developed during 2015–16. This plan defines the leadership profile required to realise the Department's mission and vision. This profile describes the capability, quantity and diversity attributes of the leaders we wish to develop. Built around four pillars (lead, empower, achieve and develop) the plan identifies capabilities expected of all staff. It is drawn from and underpinned by the APS Values, APS work level standards, APS Integrated Leadership System and the DIBP behaviours. It recognises the importance of both individual and collective capabilities.

The Department's Talent Management Advisory Committee (TMAC) provides advice and strategic direction to support the development of the SES cohort. Outcomes of the independent assessments of SES gathered last year and for newly appointed SES are supplemented by career and performance discussions.

The range of external development opportunities available to SES was reviewed and expanded during 2015–16 to reflect the remit of the integrated Department. It continues to include programmes offered by the Australian Public Service Commission (APSC), Australia and New Zealand School of Government (ANZSOG), Australian Institute of Police Management (AIPM) and the National Security College (NSC). In response to emerging priorities and collective capability needs identified through the SES assessment data, programmes focusing on change management, appearing before parliamentary committees and addressing the media were also sourced and offered to SES.

## WORKFORCE DIVERSITY

The Department is committed to building a workplace culture that embraces diversity and that values the different views, experiences and backgrounds of our people, reflecting the Australian community.

There are staff networks and online forums for Indigenous Australians, people with disability, women and gender diverse groups and their friends.

Deputy secretaries and assistant secretaries were appointed as champions and co-champions for the diversity, disability and Indigenous cohorts. They provide staff with additional support and drive initiatives to strengthen workplace diversity and inclusiveness.

At 30 June 2016 the Department's workforce comprised:

- 95 per cent ongoing staff
- 87 per cent full-time staff
- 54 per cent women
- 1.6 per cent who identified as Indigenous Australians
- 1.9 per cent who identified as having a disability
- 16 per cent who came from a non-English-speaking background.

The Department continued its involvement in the Women in Law Enforcement Strategy Programme. This is a formal 12-month mentoring programme to help women to pursue careers and senior positions in law enforcement.

Departmental staff mentored students and job seekers with disability through the Positive Action towards Career Engagement (PACE) Programme run by the Australian Network on Disability.

The Department continued its memberships with external peak bodies, including the Diversity Council of Australia, Australian Network on Disability, Supply Nation and Jawun. Associations with the National Disability Recruitment Coordinator and Pride in Diversity were also established during the year.

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## RECRUITMENT

The Department participated in the Australian Public Service (APS) Indigenous Pathways and the Department of Human Services Indigenous Apprenticeships programmes. Both entry-level programmes provide Indigenous Australians with employment in the APS while they study for a qualification.

The Department also employed staff under the special measures provision to support the recruitment of Indigenous staff.

The APS RecruitAbility scheme was applied to recruitment exercises to attract and employ people with disability in the Department.

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## DAYS OF SIGNIFICANCE

During 2015–16 the Department hosted a range of events to mark NAIDOC Week, including a team participating in the annual NAIDOC touch football carnival, traditional dance performances and an Indigenous art exhibition focused on land and sea.

Events for National Reconciliation Week were held around the country to promote reconciliation and cultural awareness. They included yarning sessions, Indigenous film screenings and traditional didgeridoo performances.

United Nations' International Day of People with Disability was celebrated on 3 December 2015. The guest speaker, Mr Paul de Gelder, spoke about his experience as a shark attack survivor and living with disability.

The Department marked International Women's Day (IWD). Departmental representatives attended the Institute of Public Administration Australia (ACT Division) breakfast and the United Nations IWD breakfast and luncheon.

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## DISABILITY REPORTING MECHANISMS

Since 1994 Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08 reporting on the employer role was transferred to the Australian Public Service Commission's *State of the Service Report* and the *APS Statistical Bulletin*. From 2010–11 departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been superseded by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level two yearly report will track developments and evaluate progress against each of the strategy's six outcome areas.

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## IMPACT AND FEATURES OF ENTERPRISE OR COLLECTIVE AGREEMENTS, DETERMINATIONS AND COMMON LAW CONTRACTS

The Department's 2011-14 Enterprise Agreement (EA) nominally expired on 30 June 2014. Negotiations for a new EA continued through the 2015-16 financial year, with two unsuccessful employee ballots. Transitional arrangements that maintain a range of conditions for former ACBPS

staff were put in place from 1 July 2015 through determinations made under the *Public Service Act 1999* (PS Act).

These transitional arrangements will apply until a new EA for the integrated Department is in place.

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### DETERMINATIONS

On 25 June 2015 a determination under section 24(3) of the PS Act was made by The Honourable Christian Porter MP, Parliamentary Secretary to the Prime Minister, in relation to all non-SES seagoing employees in the Marine Unit who were to be moved to the Department on 1 July 2015. The section 24(3) determination for seagoing Marine Unit employees preserved all of the terms and conditions of employment contained in the ACBPS Enterprise Agreement 2011-2014 for these employees. As at 30 June 2016, 491 non-SES employees were covered under the determination. This transitional arrangement enables the Marine Unit to continue to operate effectively until a new EA for the integrated Department is in place.

This determination preserved certain conditions from the ACBPS Enterprise Agreement 2011-2014, such as working hours and specific allowances and benefits, for former ACBPS employees to support operations during the transition to an integrated Department. As at 30 June 2016, 4490 non-SES employees were covered under this determination.

To further support the Department's operations, DIBP Determination 2015/02 was made in relation to all non-SES employees employed as ABF Recruits after 1 July 2015.

This determination allocated a classification of Trainee (APS) (Technical) to ABF Recruits. As at 30 June 2016, 113 non-SES employees were covered under this determination.

On 26 June 2015, DIBP Determination 2015/01 was made by the Secretary, Mr Michael Pezzullo, under section 24(1) of the PS Act in relation to all non-SES ACBPS employees who were moved to the Department on 1 July 2015.

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

- DIBP Determination 2015/03 Marine Engineers Attraction and Retention Payment. This determination provides an attraction and retention payment to *Cape Class* engineers and deputy engineers. As at 30 June 2016, 39 non-SES employees were covered under this section 24(1) determination.
- DIBP Determination 2015/04 Marine Cooks. This determination allocates the APS 4 classification and provides the relevant APS 4 salary range for marine cooks. As at 30 June 2016, 13 non-SES employees were covered under this section 24(1) determination.
- 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. As at 30 June 2016, 19 non-SES employees were covered under this section 24(1) determination.

All the above DIBP determinations are transitional arrangements that, unless revoked earlier, will apply until a new EA for the integrated Department is in place.

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## ENTERPRISE AGREEMENTS AND INDIVIDUAL EMPLOYMENT ARRANGEMENTS

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 the majority of employees receive a salary that is set by the EA, there are exceptions where higher salaries have occurred as a result of the machinery of government change where former 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 1 in this report provides a breakdown of salary ranges within each level as prescribed by the EA.

Table 18:

## Salary ranges for staff at 30 June 2016

Classification	Range of salaries
Cadets	\$25,451-\$25,451
ICT Apprentices	\$42,419-\$42,419
Trainees APS (Technical)	\$42,865-\$47,424
Trainees	\$48,667-\$48,667
APS Level 1	\$42,865-\$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	\$162,302-\$244,078
SES Band 2/SES Band 3	\$212,242-\$320,000

## INDIVIDUAL EMPLOYMENT ARRANGEMENTS

Table 19 shows the number of employees on individual section 24(1) determinations under the *Public Service Act 1999* or IFAs pursuant to clause 11.22 of the EA.

Table 19:

### Number of departmental employees on individual employment arrangements at 30 June 2016

Classification	Employees on s. 24(1)	Employees on IFAs	Total
APS Level 3	0	3	3
APS Level 4	0	20	20
APS Level 5	0	53	53
APS Level 6	0	84	84
Executive Level 1	0	247	247
Executive Level 2	1	130	131
SES	144	0	144
<b>Total</b>	<b>145</b>	<b>537</b>	<b>682</b>

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## NON-SALARY BENEFITS

The range of benefits, other than base salary, provided to employees 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 employees maintained existing non-salary benefits for former ACBPS EL 2 employees as follows where those employees were in receipt of the benefit on 30 June 2015:

- motor vehicle allowance
- car parking allowance
- home garaging.

DIBP Determination 2015/01 and the section 24(3) determination also maintained airline lounge memberships and additional days off to former ACBPS EL 1 and EL 2 employees.

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## PERFORMANCE PAY

Performance pay is not available to employees under the EA or those employees covered by DIBP Determination 2015/01. Performance pay is also not available to SES employees.

The section 24(3) determination for non-SES seagoing Marine Unit employees provides performance pay to employees who are at the

top of their salary range and receive a rating of 'performed above agreed requirements' or 'met agreed requirements' through the performance management system.

Details of performance ratings and pay awarded are shown in Table 20 and Table 21.

Table 20:

### Number of officers who rated as 'performed above agreed requirements' by classification, 2015–16

	CL1	CL2	CL3	CL4	CL5	Total
Number of officers who rated as 'performed above agreed requirements'	8	2	6	0	0	<b>16</b>

Table 21:

### Performance pay outcomes 2015–16 (Australian Customs and Border Protection Services Enterprise Agreement 2011–2014)

	CL1	CL2	CL3	CL4	CL5	Total
Number of officers receiving bonus	130	63	31	5	0	<b>229</b>
Total amount paid (\$)	\$139,479	\$94,623	\$61,511	\$9,179	\$0	<b>\$304,792</b>
Average bonus amount (\$)	\$1,073	\$1,502	\$1,984	\$1,836	\$0	<b>\$1,331</b>
Minimum bonus paid (\$)	\$179	\$733	\$687	\$1,158	\$0	<b>n/a</b>
Maximum bonus paid (\$)	\$1,239	\$3,640	\$4,346	\$2,177	\$0	<b>n/a</b>

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## IMPACT OF TRAINING AND DEVELOPMENT

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### DEVELOPING A PROFESSIONAL WORKFORCE

Our people are critical to the success of the Department's vision and mission.

The Department requires a highly skilled workforce to deliver professional, disciplined and flexible immigration and border protection capability.

The Department finalised its Learning and Development Strategic Plan during 2015–16. Key features of the plan include the creation of an overarching governance framework for learning and development in the Department. The Learning and Development and College Board was established to oversee learning and development across the Department and includes representatives from each vocational committee. The committees focus on specific learning requirements within their vocation. The systematic learning model sets the standards that determine how learning will be developed and delivered across the Department. Mapping capabilities and competencies of specific roles within the vocational streams continued throughout 2015–16. These competencies will support recruitment, performance management and training to develop the responsive professional workforce required by the Department.

Learning demand planning was introduced across the Department and is used on a quarterly basis to identify learning priorities.

During 2015–16 the new ABF College delivered five Border Force Officer Recruit Training (BFORT) courses for land-based general duties. The BFORT prepares officers for deployment domestically and internationally across air, land and sea domains. In all:

- 89 officers graduated from an intensive six months of classroom based training, before commencing a further six months on the job training
- 55 Marine officers graduated in May to begin their careers on ABF cutters deployed at sea.

The ABF College also developed and delivered specialised transition training for more than 1000 ABF officers.

To develop visa decision-makers, the Department conducted an in-depth training needs analysis for both onshore and offshore visa roles by classification. This information will be used to develop a new suite of training programmes and learning pathways for visa decision-makers.

More than 500 new employees took part in the Department's updated induction programme, which was piloted in February 2016. Updated mandatory eLearning was aligned to this.

The Department provided writing skills training to approximately 700 staff, and also piloted a management in action and an integrity course.

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## LEADERSHIP DEVELOPMENT

The Leadership Strategic Plan responds to the Department's need to have a long-term focus on leaders who can build high-performing teams in a challenging policy and operating environment. In the reporting period, the Department launched its leadership learning and development suite, which includes:

- three new leadership programmes for the APS and EL cohorts
- coaching for leadership and leading and managing change workshops
- EL conferences: *Leading through transformational change*.

During 2015–16 the leadership programmes were delivered to 2542 staff nationally.

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## WORK HEALTH AND SAFETY PERFORMANCE

The Department supports the implementation and maintenance of effective work health and safety (WHS) strategies and systems that promote continuous WHS improvement and a positive safety culture.

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### KEY HEALTH AND SAFETY INITIATIVES INTRODUCED DURING 2015–16

A number of key prevention and support services for staff and managers were introduced during 2015–16:

- Online reporting and workflow for WHS incidents was implemented and has improved the collection and analysis of incident information.
- A number of WHS and rehabilitation management policies were reviewed and updated, drawing on policies from the Department, the former ACBPS and information on best practices.
- The Department implemented an early intervention programme that emphasises timely response to workplace injury and provides an advisory helpline for managers of injured workers. Early intervention is based on six integrated strategies:
  - recognition and response
  - early referral timeframes
  - early referral to an approved workplace rehabilitation provider
  - funding of specified short-term costs
  - providing an employee assistance programme
  - availability for both compensable and non-compensable injury/illness.
- Effective early intervention helped to reduce average total claim costs and average time off work per claim performance during 2015–16.
- A peer support programme was introduced and provides a network of staff trained in mental health first aid to support co-workers affected by work-related or personal difficulties.
- A 'keys to attendance' learning programme was introduced to provide managers with strategies and the awareness required to better manage unscheduled absences. The programme includes awareness sessions, a toolkit for managers and regular reporting on unscheduled absence performance.
- A revised mandatory eLearning package was launched and covers a number of important messages regarding roles, responsibilities and legislative requirements. In October 2015 the joint role of DIBP Chief Medical Officer (CMO) and ABF Surgeon General was established. The CMO is the Departmental health advisor to the Secretary and Government and also provides advice on matters of WHS.

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## ONGOING HEALTH AND SAFETY INITIATIVES

A range of services and activities were delivered in 2015–16 to promote physical and psychological health, safety and wellbeing within the organisation, including:

- a national influenza vaccination programme
- rehabilitation services to reduce the human and financial costs of work-related and non-work-related injury and illness
- an employee assistance programme to provide employees with confidential and professional counselling
- policy statements and procedural guidance for all workers
- ergonomic workstation assessments
- training for new health and safety representatives
- training for first aid officers
- psychological assessments and self-care support programmes for staff deploying overseas or to roles in the detention network
- on-site counselling support for departmental staff and interpreters deployed to the detention network and at regional processing centres
- a pre-deployment infectious disease screening and vaccination programme
- audit and assurance activities in rehabilitation case management and WHS.

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## 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 23 shows injury claims by mechanism of injury accepted by Comcare.

Table 22:

### Two-year summary of mechanism of injury for accepted claims

Accepted claims	2014–15 <sup>b</sup>	2015–16 <sup>a</sup>
Falls, trips and slips	35	43
Hitting objects	4	14
Being hit by moving objects	13	14
Sound and pressure	0	1
Body stressing	55	64
Heat, electricity and other environmental	3	1
Chemicals and other substances	1	1
Biological factors	2	1
Mental stress	6	13
Hazard	0	0
Vehicle accidents and other	2	0
Other or unspecified	3	11
<b>Total</b>	<b>124</b>	<b>163</b>

- a. The number of accepted claims for 2015–16 represents the Department post integration. This figure may increase over time as workers' compensation claims continue to be lodged and accepted by Comcare for injuries/illnesses that occurred in 2015–16.
- b. The 2014–15 figure includes Australian-based staff overseas but excludes locally engaged staff.

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
Death	6 <sup>a</sup>	7
Serious injury/illness	586	100
Dangerous incident	70	44
<b>Total</b>	<b>662</b>	<b>151</b>

- a. This figure includes two Nauruan nationals.

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## REGULATORY ACTIVITY

The Department liaises with Comcare on all regulatory and cooperative compliance matters.

The Department and Comcare have established monthly meetings to work collegially on all work health and safety matters of interest to both organisations.

Under Part 8 of the *Work Health and Safety Act (Cth) 2011*, the Department had 12 requests for information.

Under Part 10 of the *Work Health and Safety Act (Cth) 2011*, the Department had two improvement notices issued.

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## NOTIFICATION AND REPORTING OF ACCIDENTS AND DANGEROUS OCCURRENCES

Between 1 July 2015 and 30 June 2016, the Department notified Comcare of 151 incidents.

Table 23 summarises all incidents notified by the Department for the 2014–15 and 2015–16 financial years.

The reduction of incidents reported against each classification in 2015–16, compared with 2014–15, is in part due to the introduction of a mature online incident reporting system and enhancements to the Department's incident reporting processes and procedures. These changes have seen significant improvement in reducing the number of non-notifiable incidents to Comcare.

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## UNSCHEDULED ABSENCE MANAGEMENT

While the APSC defines unscheduled absence as the combination of personal (sick and carers), miscellaneous and compensation leave and any absence not approved by management, recent APSC publications have focused on personal and miscellaneous leave to measure the portion of unscheduled absences that can be influenced by active line management.

The Department's personal and miscellaneous leave rate decreased in 2015–16, reporting 13.5 days per employee compared with 13.6 days per employee in 2014–15.

The Department has taken steps to reduce unscheduled absences as part of a framework to create a healthier and more productive workforce.

The Department developed an attendance framework to improve individual and organisational work ability with a focus on:

- developing targeted reporting with hot-spot analysis
- improving management practice by providing better information and advice
- targeted health and wellbeing support
- addressing work practice issues
- developing improved performance management strategies.

# ASSET MANAGEMENT

The Department managed non-financial assets with a value of \$2.8 billion during 2015–16. Of this amount, \$1.5 billion was administered property that supports the care and management of detainees, including IMAs in immigration detention. \$0.4 billion was for vessels that support the ABF. The Department's main asset classes are land and buildings, leasehold improvements, vessels, plant and equipment and intangible assets (software).

The Department manages asset replacements through an annual capital plan that reflects both Government priorities and ongoing business requirements. It regularly monitors the management of this capital plan to ensure that planned expenditure reflects the Department's business requirements.

The Department undertakes an annual stocktake of its non-current assets and performs an impairment review that is used to update and verify the accuracy of asset records and to review the condition and utility of assets. The review includes a reassessment of expected useful lives and residual lives.

The Department's 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 2015–16 financial statements in Part 6 of this report.

# PURCHASING

The Department based its purchasing and procurement policies on the PGPA Act and the Commonwealth Procurement Rules (CPRs).

The Corporate Group provided specialist advice and assistance to all departmental areas engaged in procurement and contract management through:

- self-service, which included streamlined information, guidance and tools supported by a helpdesk function
- dedicated procurement staff to provide appropriate support and advice for approaches to market
- centralised advice to high value/high risk procurement
- developing and maintaining policy documentation and guidance
- coordinating external procurement reporting responsibilities
- legal and probity advice.

Procurement documentation 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. Quality assurance measures and assurance processes in the system are used to maintain the accuracy and completeness of procurement-related information.

The Corporate Group reviewed the Department's procurement practices and procedure in 2015–16. A programme of improvements has begun to enhance its overall procurement and compliance performance. It will be progressively implemented during 2016–17.

# CONSULTANTS AND CONSULTANCY SERVICES

The Department's policy for selecting and engaging consultants was conducted in accordance with the CPRs and was based on the core principle of value for money.

In 2015–16 the Department entered into 98 new consultancy contracts as reflected on AusTender. Total actual expenditure against these contracts was \$28.5 million (inclusive of GST). In addition, 37 ongoing consultancy contracts which were previously reported on AusTender remained active during 2015–16 and incurred total actual expenditure of \$8.8 million (inclusive of GST) during the year.

Information on the value of contracts and consultancies is available on the AusTender website: [www.tenders.gov.au](http://www.tenders.gov.au)

# ANAO ACCESS PROVISIONS

The Department's standard contract templates include provisions allowing the ANAO to access a contractor's premises. The Department did not have any contracts that did not contain the ANAO access provisions.

# 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*.

Details of all contracts with a value of \$10,000 or more have been published on AusTender in accordance with the reporting requirements of the CPRs.

# SMALL BUSINESS

The Department supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises (SME) and small enterprise participation statistics are available on the Department of Finance's website: [www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/](http://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 results of the Survey of Australian Government Payments to Small Business are available on Treasury's website: [www.treasury.gov.au/](http://www.treasury.gov.au/)

The Department's procurement practices to support SMEs were consistent with paragraph 5.4 of the CPRs.

For example, initiatives/practices by the Department in 2015–16 which demonstrate 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.

# ADVERTISING AND MARKET RESEARCH

**D**uring 2015–16 the Department conducted the following advertising campaigns:

- Anti-People Smuggling Campaign - No Way. You will not make Australia home.

The advertising and market research expenditure is outlined in Table 24.

Further information on the advertising campaigns is available at [www.border.gov.au](http://www.border.gov.au) and in reports on Australian Government advertising prepared by the Department of Finance. Those reports are available at [www.finance.gov.au/advertising/index.html](http://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 inclusive)
<b>Market research organisations</b>	
Red Elephant Research	\$469,409.97
Essence Communications	\$271,755.00
McNair Ingenuity	\$60,661.60
<b>Market research total (GST inclusive)</b>	<b>\$801,826.57</b>
<b>Media advertising organisations</b>	
Put It Out There Pictures	\$1,262,112.50
Ensemble	\$184,250.00
Mitchell Adcorp Alliance	\$2,066,156.94
LOTE Marketing	\$229,532.92
STATT Consulting Ltd	\$3,977,468.00
International Organisation for Migration Bangladesh	\$24,000.00
International Organisation for Migration Vietnam	\$267,813.82
International Organisation for Migration Indonesia	\$1,000,000.00
Thompson Associates (PVT) Ltd/ TAL Group / Total Media Direction (PVT) Ltd	\$1,415,375.30
Expert Opinion Pakistan	\$107,239.00
Organisation for Eelam Refugee Rehabilitation (OfERR) India	\$128,925.63
India ADRA	\$27,714.14
Lapis	\$2,847,454.04
Zanala	\$21,179.38
<b>Media advertising total (GST inclusive)</b>	<b>\$13,559,221.67</b>

# ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

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## 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 related to the Department's environmental aspects.

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## ENVIRONMENTAL MANAGEMENT SYSTEM

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.

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## GREEN INITIATIVES

The Department undertook several environmental initiatives in 2015–16, including:

- promoting and participating in Earth Hour
- the continued participation in mobile phone recycling in its National Office in Belconnen
- the recycling of used printer cartridges for multi-function devices
- the successful procurement process to identify future long-term accommodation solutions for the Department's headquarters in Canberra. This process will see the department rationalise its accommodation footprint by consolidating a number of buildings over the next five years (making up almost 50 per cent of the Department's workstation capacity), with the majority of these sites to have a green lease schedule
- increasing the ratio of fuel-efficient vehicles in the Department
- making four-cylinder vehicles the default choice for leased fleet vehicles wherever practicable
- setting a fleet vehicle selection benchmark to consider the Australian Government's Green Vehicle Guide in selecting operational vehicles.

## GREEN LEASE SCHEDULE MANAGEMENT

As a Commonwealth agency, it was critical that the Department demonstrate support and compliance with the Government's Energy Efficiency in Government Operations policy and the green lease schedules (GLSs), which are key policy requirements. In the period under review, Jones Lang LaSalle managed the 10 departmental sites that have GLSs.

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## NABERS OVERVIEW

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, such as energy, water, waste and indoor environment. The NABERS energy 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: [www.nabers.com.au](http://www.nabers.com.au)

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## INFORMATION AND COMMUNICATION

### TECHNOLOGY SUSTAINABILITY INITIATIVES

The merger of ACBPS with DIBP brought considerable challenges in ICT operations. This included detailed planning to consolidate and transform ACBPS legacy hardware platforms, and supporting infrastructure across sites, in line with a revised infrastructure management plan. This necessitated increased footprints at outsourced data centre sites.

Overall, the energy consumption in the outsourced data centre at Hume and the new site in Fyshwick increased in line with the increased footprints in each site. Energy efficiency, measured by the power usage effectiveness (PUE) metric, (Hume PUE 1.47 and Fyshwick PUE 1.33) exceeded the whole-of-government July 2015 target of PUE 1.7. Both sites use the latest energy-efficient technologies, and the Fyshwick site also uses free air cooling by circulating cold Canberra air, when appropriate, to help to cool the ICT infrastructure.

Energy use at the in-house Belconnen Data Centre site (BDC), located at 6 Chan Street, Belconnen, decreased by 20 per cent in the last quarter of 2015–16 as the site infrastructure (storage and compute platforms) were decommissioned or migrated to Fyshwick. As the BDC site had comprised 60 per cent of the regular monthly energy bill for the 6 Chan Street building up until March 2016, significant cost savings will continue.

The Department continued to meet whole-of-government requirements for an after-hours shut-down of desktops. Desktop PCs automatically go into sleep mode after 30 minutes of inactivity. In energy saving, this is the equivalent energy savings of being powered off.

## 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 first year reporting on a consolidated energy performance. However, comparative performance is available for the individual agencies in previous years.

Table 25:

### The Department's energy performance against EEGO policy intensity target

EEGO policy intensity target	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16
Tenant light and power at 7,500 MJ pp/pa <sup>a</sup> by June 2012 – DIBP	6,003	6,322	5,829	5,155	4,325	8,958 <sup>b</sup>
ACBPS	12,158	11,532	12,864	12,075	13,069	n/a

a. MJ pp/pa means 'megajoules per average staff level per annum'.

b. Figure represents consolidated department.

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## 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.

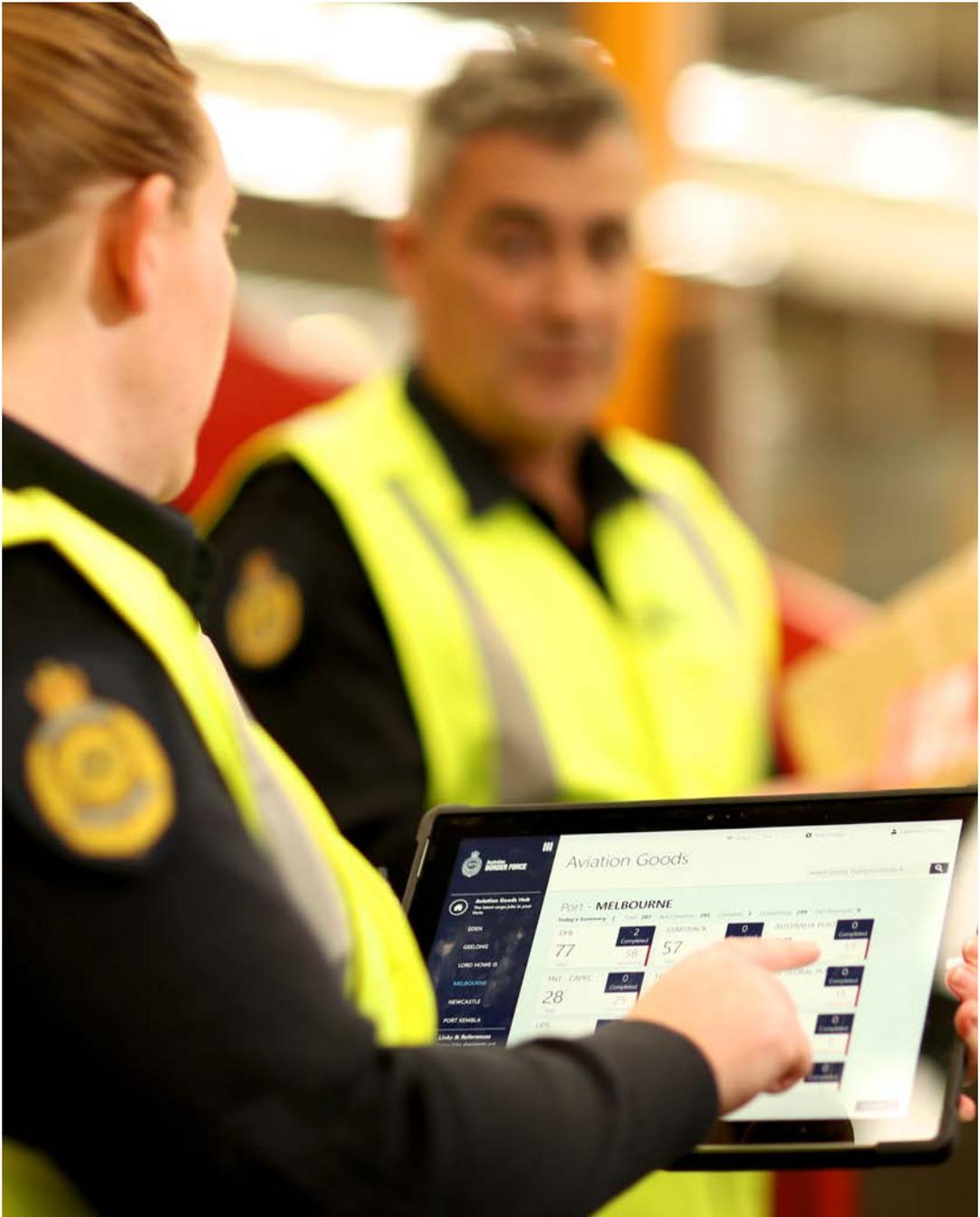
A heritage precinct has been established on the northern boundary of the Villawood IDF, facing Miowera and Gurney Roads. A heritage precinct master plan will ensure the continuing protection of the site's remaining heritage values.

The precinct will feature key elements of the Villawood migrant hostel, with two Nissen accommodation huts, the former dining room and the boilers from the original laundry.

These buildings have already been relocated and repaired. A qualified heritage specialist has been engaged to complete the development of the precinct, including landscaping works and the installation of interpretive signage.

## GRANTS PROGRAMMES

Information on grants awarded by the Department during the period 1 July 2015 to 30 June 2016 is available at [www.border.gov.au](http://www.border.gov.au)



# FINANCIAL STATEMENTS

## PART 6

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Minister for Immigration and Border Protection**

I have audited the accompanying annual financial statements of the Department of Immigration and Border Protection for the year ended 30 June 2016, which comprise: 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.

### ***Opinion***

In my opinion, the financial statements of the Department of Immigration and Border Protection:

- (a) comply with Australian Accounting Standards 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 2016 and its financial performance and cash flows for the year then ended.

### ***Accountable Authority's Responsibility for the Financial Statements***

The Secretary of the Department of Immigration and Border Protection 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 and the rules made under that Act and 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.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office



Serena Buchanan  
Executive Director

Delegate of the Auditor-General

Canberra  
12 September 2016

**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 2016 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

9 September 2016

Signed  .....

Steven Groves  
Chief Finance Officer

9 September 2016

# STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2016

	Notes	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Net cost of services</b>				
<b>Expenses</b>				
Employee benefits	1.1A	1,451,000	842,614	563,404
Suppliers	1.1B	1,228,253	621,832	570,770
Depreciation and amortisation	3.2A	277,511	109,852	120,566
Writedown and impairment of assets	1.1C	15,716	9,988	1,618
Finance costs		1,447	542	429
Other expenses		12,220	4,003	1,196
<b>Total expenses</b>		<b>2,986,147</b>	<b>1,588,831</b>	<b>1,257,983</b>
<b>Own-source income</b>				
<b>Own-source revenue</b>				
Sale of goods and rendering of services	1.2A	109,475	57,658	70,025
Recovery of costs	1.2B	35,695	37,490	2,097
Electronic travel authority fees		17,022	6,677	-
Rental income	1.2C	3,662	1,420	2,597
Software royalties		2,854	1,403	-
Other revenue	1.2D	20,249	9,697	9,901
<b>Total own-source revenue</b>		<b>188,957</b>	<b>114,345</b>	<b>84,620</b>
<b>Gains</b>				
Other gains	1.2E	3,021	15,360	102,778
<b>Total gains</b>		<b>3,021</b>	<b>15,360</b>	<b>102,778</b>
<b>Total own-source income</b>		<b>191,978</b>	<b>129,705</b>	<b>187,398</b>
<b>Net cost of services</b>		<b>(2,794,169)</b>	<b>(1,459,126)</b>	<b>(1,070,585)</b>
Revenue from Government		2,494,929	1,373,836	1,034,013
<b>Deficit attributable to the Australian Government</b>		<b>(299,240)</b>	<b>(85,290)</b>	<b>(36,572)</b>
<b>Other comprehensive income</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Asset revaluation surplus		(3,569)	31,647	6,877
<b>Total other comprehensive income</b>		<b>(3,569)</b>	<b>31,647</b>	<b>6,877</b>
<b>Total comprehensive income</b>		<b>(302,809)</b>	<b>(53,643)</b>	<b>(29,695)</b>

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

# STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2016

## 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 three 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.
- a demand driven model. This funding model has applied to departmental activities supporting offshore asylum seeker management. Under this model, funding is driven by cost and volume factors related to Illegal Maritime Arrivals (IMA) management activities undertaken by the Department (the demand driven funding arrangement ceased from 1 July 2016).
- 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.

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3.1A	3,409	1,716	4,830
Trade and other receivables	3.1B	518,425	373,499	143,650
Accrued revenue		2,010	39,547	2,363
Other financial assets		1,681	1,338	-
<b>Total financial assets</b>		<b>525,525</b>	<b>416,100</b>	<b>150,843</b>
<b>Non-financial assets</b>				
Land	3.2A	24,291	400	22,965
Buildings	3.2A	45,006	260	44,070
Leasehold improvements	3.2A	109,798	80,706	62,076
Vessels	3.2A	392,352	-	349,207
Plant and equipment	3.2A	234,042	58,556	165,132
Software	3.2A	477,157	294,487	164,581
Inventories held for distribution		23,907	-	12,813
Other non-financial assets	3.2B	50,111	27,425	20,143
<b>Total non-financial assets</b>		<b>1,356,664</b>	<b>461,834</b>	<b>840,987</b>
<b>Total assets</b>		<b>1,882,189</b>	<b>877,934</b>	<b>991,830</b>
<b>Liabilities</b>				
<b>Payables</b>				
Suppliers	3.3A	264,222	134,639	105,509
Other payables	3.3B	17,298	42,892	31,624
<b>Total payables</b>		<b>281,520</b>	<b>177,531</b>	<b>137,133</b>
<b>Interest bearing liabilities</b>				
Finance leases		-	389	-
<b>Total interest bearing liabilities</b>		<b>-</b>	<b>389</b>	<b>-</b>
<b>Provisions</b>				
Employee provisions	6.1A	417,726	229,114	164,647
Other provisions	3.4A	38,210	22,283	16,455
<b>Total provisions</b>		<b>455,936</b>	<b>251,397</b>	<b>181,102</b>
<b>Total liabilities</b>		<b>737,456</b>	<b>429,317</b>	<b>318,235</b>
<b>Net assets</b>		<b>1,144,733</b>	<b>448,617</b>	<b>673,595</b>
<b>Equity</b>				
Contributed equity		2,106,465	768,267	1,012,190
Reserves		241,702	154,546	90,723
Accumulated deficit		(1,203,434)	(474,196)	(429,318)
<b>Total equity</b>		<b>1,144,733</b>	<b>448,617</b>	<b>673,595</b>

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

## STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2016

	Retained earnings		Changes in asset revaluation surplus			
	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
	Note					
<b>Opening balance</b>						
Balance carried forward from previous period	(474,196)	(406,281)	(392,746)	154,546	122,899	83,846
Adjustments to prior year's surplus/(deficit)	2,601	17,383	-	-	-	-
<b>Adjusted opening balance</b>	<b>(471,595)</b>	<b>(388,898)</b>	<b>(392,746)</b>	<b>154,546</b>	<b>122,899</b>	<b>83,846</b>
<b>Comprehensive income</b>						
Other comprehensive income	-	-	-	(3,569)	31,647	6,877
(Deficit) for the period	(299,240)	(85,290)	(36,572)	-	-	-
<b>Total comprehensive income</b>	<b>(299,240)</b>	<b>(85,290)</b>	<b>(36,572)</b>	<b>(3,569)</b>	<b>31,647</b>	<b>6,877</b>
<b>Transactions with owners</b>						
<b>Distributions to owners</b>						
Returns of capital						
Return of contributed equity	(3,275)	(8)	-	-	-	-
Re-profile expenditure from 2013-14 to 2014-15	-	-	-	-	-	-
Transfer funding from ACBPS to Department of Industry	-	-	-	-	-	-
<b>Contributions by owners</b>						
Equity injection—Appropriations	-	-	-	-	-	-
Departmental capital budget	-	-	-	-	-	-
Restructuring <sup>a</sup>	8.1A	(429,318)	-	90,723	-	-
Other movements	(6)	-	-	2	-	-
<b>Total transactions with owners</b>	<b>(432,599)</b>	<b>(8)</b>	<b>-</b>	<b>90,725</b>	<b>-</b>	<b>-</b>
<b>Closing balance as at 30 June</b>	<b>(1,203,434)</b>	<b>(474,196)</b>	<b>(429,318)</b>	<b>241,702</b>	<b>154,546</b>	<b>90,723</b>

a. The balance carried forward from the former ACBPS has been recognised as a restructure at 1 July 2015.

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

## STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2016

	Contributed Equity			Total Equity		
	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Opening balance</b>						
Balance carried forward from previous period	768,267	674,881	833,027	448,617	391,499	524,127
Adjustments to prior year's surplus/(deficit)	-	-	-	2,601	17,383	-
<b>Adjusted opening balance</b>	<b>768,267</b>	<b>674,881</b>	<b>833,027</b>	<b>451,218</b>	<b>408,882</b>	<b>524,127</b>
<b>Comprehensive income</b>						
Other comprehensive income	-	-	-	(3,569)	31,647	6,877
(Deficit) for the period	-	-	-	(299,240)	(85,290)	(36,572)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(302,809)</b>	<b>(53,643)</b>	<b>(29,695)</b>
<b>Transactions with owners</b>						
<b>Distributions to owners</b>						
Returns of capital						
Return of contributed equity	(17,488)	(3,543)	(3,105)	(20,763)	(3,551)	(3,105)
Re-profile expenditure from 2013-14 to 2014-15	-	-	(3,000)	-	-	(3,000)
Transfer funding from ACBPS to Department of Industry	-	-	(315)	-	-	(315)
<b>Contributions by owners</b>						
Equity injection—Appropriations	226,857	10,970	152,979	226,857	10,970	152,979
Departmental capital budget	116,639	85,959	32,604	116,639	85,959	32,604
Restructuring <sup>a</sup>	1,012,190	-	-	673,595	-	-
Other movements	-	-	-	(4)	-	-
<b>Total transactions with owners</b>	<b>1,338,198</b>	<b>93,386</b>	<b>179,163</b>	<b>996,324</b>	<b>93,378</b>	<b>179,163</b>
<b>Closing balance as at 30 June</b>	<b>2,106,465</b>	<b>768,267</b>	<b>1,012,190</b>	<b>1,144,733</b>	<b>448,617</b>	<b>673,595</b>

a. The balance carried forward from the former ACBPS has been recognised as a restructure at 1 July 2015.

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

## STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2016

### ACCOUNTING POLICY

#### 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.

#### Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value. Net assets transferred from the former ACBPS at 1 July 2015 have been adjusted against the corresponding equity class with no redesignation.

Refer Note 8.1 for details of restructuring including breakdown of functions assumed/relinquished.

#### Other distributions to owners

Distributions to owners are debited to contributed equity unless in the nature of a dividend.

# CASH FLOW STATEMENT

For the period ended 30 June 2016

	Notes	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Operating activities</b>				
<b>Cash received</b>				
Goods and services		161,222	34,737	72,132
Appropriations		2,765,374	1,558,174	1,154,621
Net GST received		116,184	44,759	68,307
Other		50,187	38,910	319
<b>Total cash received</b>		<b>3,092,967</b>	<b>1,676,580</b>	<b>1,295,379</b>
<b>Cash used</b>				
Employees		1,509,782	852,415	565,124
Suppliers		1,310,906	693,516	650,233
Section 74 receipts transferred to the OPA		211,194	127,507	80,169
Other		12,396	5,550	-
<b>Total cash used</b>		<b>3,044,278</b>	<b>1,678,988</b>	<b>1,295,526</b>
<b>Net cash from/(used by) operating activities</b>	5.6	<b>48,689</b>	<b>(2,408)</b>	<b>(147)</b>
<b>Investing activities</b>				
<b>Cash received</b>				
Proceeds from sales of property, plant and equipment		53	113	1,081
<b>Total cash received</b>		<b>53</b>	<b>113</b>	<b>1,081</b>
<b>Cash used</b>				
Purchase of land and buildings		2,172	-	774
Purchase of leasehold improvements		13,249	14,346	13,088
Purchase of vessels		77,087	-	87,847
Purchase of plant and equipment		69,888	10,258	37,223
Purchase of computer software		162,933	84,289	27,027
<b>Total cash used</b>		<b>325,329</b>	<b>108,893</b>	<b>165,959</b>
<b>Net cash (used by) investing activities</b>		<b>(325,276)</b>	<b>(108,780)</b>	<b>(164,878)</b>

## CASH FLOW STATEMENT

For the period ended 30 June 2016

	Notes	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Financing activities</b>				
<b>Cash received</b>				
Contributed equity		273,839	110,761	164,832
Restructuring		4,830	-	-
<b>Total cash received</b>		<b>278,669</b>	<b>110,761</b>	<b>164,832</b>
<b>Cash used</b>				
Repayment of borrowings (finance leases)		389	763	-
<b>Total cash used</b>		<b>389</b>	<b>763</b>	<b>-</b>
<b>Net cash from financing activities</b>		<b>278,280</b>	<b>109,998</b>	<b>164,832</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,693</b>	<b>(1,190)</b>	<b>(193)</b>
Cash and cash equivalents at the beginning of the reporting period		1,716	2,906	5,023
<b>Cash and cash equivalents at the end of the reporting period</b>	3.1A	<b>3,409</b>	<b>1,716</b>	<b>4,830</b>

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

## ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME

For the period ended 30 June 2016

	Notes	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Net cost of services</b>				
<b>Income</b>				
<b>Revenue</b>				
<b>Taxation Revenue</b>				
Customs duty	2.1A	14,044,689	-	10,882,321
Other taxes <sup>a</sup>	2.1A	3,214,364	1,827,356	1,236,776
<b>Total taxation revenue</b>		<b>17,259,053</b>	<b>1,827,356</b>	<b>12,119,097</b>
<b>Non-taxation revenue</b>				
Immigration fees	2.1B	41,943	40,318	-
Other revenue	2.1B	21,361	12,436	4,429
<b>Total non-taxation revenue</b>		<b>63,304</b>	<b>52,754</b>	<b>4,429</b>
<b>Total revenue</b>		<b>17,322,357</b>	<b>1,880,110</b>	<b>12,123,526</b>
<b>Gains</b>				
Gains		2,710	623	6,591
<b>Total gains</b>		<b>2,710</b>	<b>623</b>	<b>6,591</b>
<b>Total income</b>		<b>17,325,067</b>	<b>1,880,733</b>	<b>12,130,117</b>
<b>Expenses</b>				
Suppliers <sup>b</sup>	2.2A	1,715,411	1,830,524	934
Personal benefits <sup>b</sup>	2.2B	401,825	508,906	-
Grants and contributions		21,083	6,031	-
Depreciation and amortisation	4.2A	125,337	94,073	-
Writedown and impairment of assets	2.2C	39,990	87,721	9,868
Other expenses	2.2D	3,387	5,627	-
<b>Total expenses</b>		<b>2,307,033</b>	<b>2,532,882</b>	<b>10,802</b>
<b>Net (cost of) / contribution by services</b>		<b>15,018,034</b>	<b>(652,149)</b>	<b>12,119,315</b>
<b>Surplus / (deficit)</b>		<b>15,018,034</b>	<b>(652,149)</b>	<b>12,119,315</b>
<b>Other comprehensive income</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Administered revaluations taken to reserves		(1,060)	(35,907)	-
<b>Total other comprehensive income / (loss)</b>		<b>(1,060)</b>	<b>(35,907)</b>	<b>-</b>
<b>Total comprehensive income / (loss)</b>		<b>15,016,974</b>	<b>(688,056)</b>	<b>12,119,315</b>

## ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME

For the period ending 30 June 2016

- a. Visa application charges (DIBP 2014-15: \$1,819m, ACBPS 2014-15: Nil) have been reclassified from non-taxation revenue to taxation revenue (other taxes) to reflect a sustained change in the nature of the receipts. The classification of government revenue applies principles contained in the Australian Bureau of Statistics (ABS) Government Finance Statistics (GFS) Manual, which requires fees from the regulatory services to be classified as taxation revenue where the fees collected are well in excess of the costs of providing the service.
- b. The classification of payments as direct or indirect personal benefits have been reviewed against the principles contained in the ABS GFS Manual, which has resulted in a reclassification of the 2014-15 comparative figure (DIBP 2014-15: \$85m from indirect to direct personal benefits, \$176m from suppliers to indirect personal benefits).

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

# ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES

As at 30 June 2016

	Notes	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents		45,609	21,259	2,667
Taxation receivables	4.1A	341,152	-	286,538
Non-taxation receivables	4.1B	21,500	16,956	5,802
Accrued revenue		15,725	11,620	-
<b>Total financial assets</b>		<b>423,986</b>	<b>49,835</b>	<b>295,007</b>
<b>Non-financial assets</b>				
Land	4.2A	47,598	45,198	-
Buildings	4.2A	1,103,205	1,109,237	-
Leasehold improvements	4.2A	190,590	161,129	-
Plant and equipment	4.2A	173,855	164,304	-
Prepayments		1,226	661	-
<b>Total non-financial assets</b>		<b>1,516,474</b>	<b>1,480,529</b>	<b>-</b>
Assets held for sale	4.2A	25,135	27,885	-
<b>Total assets administered on behalf of Government</b>		<b>1,965,595</b>	<b>1,558,249</b>	<b>295,007</b>
<b>Liabilities</b>				
<b>Payables</b>				
Suppliers <sup>a</sup>	4.3A	211,321	243,042	-
Personal benefits <sup>a</sup>	4.3B	20,973	42,387	-
Unearned income		32,959	339	3,550
Other payables		4,741	21	2,410
<b>Total payables</b>		<b>269,994</b>	<b>285,789</b>	<b>5,960</b>
<b>Provisions</b>				
Security deposits	4.4A	1,524	-	1,413
Bonds	4.4A	7,676	20,032	-
<b>Total provisions</b>		<b>9,200</b>	<b>20,032</b>	<b>1,413</b>
<b>Total liabilities administered on behalf of Government</b>		<b>279,194</b>	<b>305,821</b>	<b>7,373</b>
<b>Net assets</b>		<b>1,686,401</b>	<b>1,252,428</b>	<b>287,634</b>

a. The classification of payments as direct or indirect personal benefits have been reviewed against the principles contained in the ABS GFS Manual, which has resulted in a reclassification of the 2014–15 comparative figure (DIBP 2014–15: \$33m from suppliers to personal benefits payable).

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

## ADMINISTERED RECONCILIATION SCHEDULE

For the period ended 30 June 2016

Notes	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Opening assets less liabilities as at 1 July</b>	<b>1,252,428</b>	1 123 196	258 519
<b>Net (cost of)/contribution by services</b>			
Income	17,325,067	1,880,733	12,130,117
Expenses	(2,307,033)	(2,532,882)	(10,802)
<b>Transfers (to)/from the Australian Government</b>			
Appropriation transfers from Official Public Account			
Annual appropriation for administered expenses	2,226,702	2,377,032	934
Administered assets and liabilities appropriations	195,512	348,959	-
Special appropriations (unlimited)			
Payments to entities other than corporate Commonwealth entities	518,579	61,138	362,040
Appropriation transfers to OPA			
Transfers to OPA	(17,811,444)	(1,969,841)	(12,453,174)
Restructuring <sup>a</sup>	287,634	-	-
Drawings from Official Public Account on behalf of the ATO	212,328	-	183,661
Payments on behalf of the ATO out of special appropriations	(212,328)	-	(183,661)
Administered revaluations taken to reserves	(1,060)	(35,907)	-
Other movements	16	-	-
<b>Closing assets less liabilities as at 30 June</b>	<b>1,686,401</b>	1,252,428	287,634

a. The balance carried forward from the former ACBPS has been recognised as a restructure at 1 July 2015. The above schedule should be read in conjunction with the accompanying notes.

# ADMINISTERED RECONCILIATION SCHEDULE

For the period ended 30 June 2016

## 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 Official Public Account (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 Schedule of Administered Cash Flows and in the Administered Reconciliation Schedule.

### Restructuring

Net assets transferred from the former ACBPS at 1 July 2015 have been adjusted against the corresponding equity class with no redesignation.

Refer Note 8.1 for details of restructuring including breakdown of functions assumed/relinquished.

# ADMINISTERED CASH FLOW STATEMENT

For the period ended 30 June 2016

	Notes	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Operating activities</b>				
<b>Cash received</b>				
Customs duty		14,410,901	-	11,222,437
Immigration fees		1,964,409	1,883,203	-
Passenger Movement Charge		935,230	-	869,068
Import Processing Charges and licenses		385,604	-	353,858
Net GST <sup>a</sup> received		87,129	89,915	40
Bonds received		33,836	52,528	-
Tourist Refund Scheme drawings		2,505	-	1,703
Security deposits		914	-	733
Other		21,704	2,424	2,719
<b>Total cash received</b>		<b>17,842,232</b>	<b>2,028,070</b>	<b>12,450,558</b>
<b>Cash used</b>				
Suppliers <sup>d</sup>		1,839,339	1,915,979	934
Refunds of duty and other taxes		448,858	12,500	362,297
Personal benefits <sup>d</sup>		427,456	524,641	-
Tourist Refund Scheme		195,197	-	167,437
Bonds paid		44,953	48,815	-
Refunds of GST <sup>a</sup> (on imports), WET <sup>b</sup> & LCT <sup>c</sup>		19,636	-	17,927
Grants and contributions paid		21,017	6,156	-
Security deposits		803	-	510
Other refunds paid		5,288	1,121	-
<b>Total cash used</b>		<b>3,002,547</b>	<b>2,509,212</b>	<b>549,105</b>
<b>Net cash from/(used by) operating activities</b>	5.7	<b>14,839,685</b>	<b>(481,142)</b>	<b>11,901,453</b>
<b>Investing activities</b>				
<b>Cash received</b>				
Proceeds from sales of property, plant and equipment		725	564	-
<b>Total cash received</b>		<b>725</b>	<b>564</b>	<b>-</b>
<b>Cash used</b>				
Purchase of property, plant and equipment		125,831	348,198	-
<b>Total cash used</b>		<b>125,831</b>	<b>348,198</b>	<b>-</b>
<b>Net cash (used by) investing activities</b>		<b>(125,106)</b>	<b>(347,634)</b>	<b>-</b>
<p>a. Goods and Services Tax (GST).</p> <p>b. Wine Equalisation Tax (WET).</p> <p>c. Luxury Car Tax (LCT).</p> <p>d. The classification of payments as direct or indirect personal benefits have been reviewed against the principles contained in the ABS GFS Manual, which has resulted in a reclassification of the 2014-15 comparative figure (DIBP 2014-15: \$223m from suppliers to personal benefits cash used).</p>				

# ADMINISTERED CASH FLOW STATEMENT

For the period ended 30 June 2016

Notes	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Financing activities</b>			
<b>Cash received</b>			
Contributed equity	161,007	348,959	-
Other	2,667	-	-
<b>Total cash received</b>	<b>163,674</b>	<b>348,959</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>163,674</b>	<b>348,959</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>14,878,253</b>	<b>(479,817)</b>	<b>11,901,453</b>
Cash and cash equivalents at the beginning of the reporting period	21,259	32,747	7,704
<b>Cash from Official Public Account</b>			
Appropriations	2,744,478	2,438,170	362,464
Refunds of GST <sup>a</sup> (on imports), WET <sup>b</sup> & LCT <sup>c</sup>	19,568	-	17,976
Tourist Refund Scheme	195,197	-	167,437
Security deposits	803	-	510
<b>Total cash from Official Public Account</b>	<b>2,960,046</b>	<b>2,438,170</b>	<b>548,387</b>
<b>Cash to Official Public Account</b>			
Administered receipts	17,810,886	1,969,841	12,452,476
Return of Tourist Refund Scheme drawings	2,505	-	1,703
Security deposits	558	-	698
<b>Total cash to Official Public Account</b>	<b>17,813,949</b>	<b>1,969,841</b>	<b>12,454,877</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>45,609</b>	<b>21,259</b>	<b>2,667</b>

a. Goods and Services Tax (GST).

b. Wine Equalisation Tax (WET).

c. Luxury Car Tax (LCT).

The above schedule 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 2015–16 purpose was to protect Australia's border and manage the movement of people and goods across it.

From 1 July 2015, the Department of Immigration and Border Protection and the former Australian Customs and Border Protection Service (ACBPS) were integrated into a single new Department of Immigration and Border Protection. As a result of this consolidation, the ACBPS was abolished as a statutory agency from 1 July 2015.

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 strong national security and economy through effective border security control and the facilitation of seamless legitimate movement of people and goods across Australia's borders.

The Australian Border Force (ABF) was established within the new integrated department on 1 July 2015. The 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.

The Department will achieve its purpose by delivery of three outcomes:

- **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.

Departmental activities contributing toward these outcomes are classified as either departmental or administered. 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. The accounting policies described throughout this Note are consistently applied across all activities, whether departmental or administered. Disclosures about administered accounting policies include only items or treatments which are specific to administered activities.

The Department conducts the following activities on behalf of the Australian Government:

- **Programme 1.1:** Border Enforcement
- **Programme 1.2:** Border Management
- **Programme 1.3:** Compliance and Detention
- **Programme 1.4:** Illegal Maritime Arrivals Onshore Management
- **Programme 1.5:** Illegal Maritime Arrivals Offshore Management
- **Programme 1.6:** Regional Cooperation
- **Programme 2.1:** Citizenship
- **Programme 2.2:** Migration
- **Programme 2.3:** Visas
- **Programme 2.4:** Refugee and Humanitarian Assistance
- **Programme 3.1:** Border Revenue Collection
- **Programme 3.2:** Trade Facilitation and Industry Engagement

Details of planned activities for the year can be found in the Immigration and Border Protection Portfolio Budget and Portfolio Additional Estimates Statements for the 2015–16 financial year which have been tabled in the Parliament.

The continued existence of the Department in its present form and with its present programmes is dependent on Government policy and on continuing funding by Parliament for the entity's administration and programmes.

## BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

These financial statements 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 2015; and
- Australian Accounting Standards and Interpretations issued by 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.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable

that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Assets and liabilities that are unrecognised are reported in the contingencies note.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income, when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

## NEW AUSTRALIAN ACCOUNTING STANDARDS

### Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

All other new standards, amendments to standards and interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a material financial impact on the Department.

### Future Australian Accounting Standard requirements

The following new/revised/amending standards and/or interpretations issued by the AASB prior to the sign-off date are expected to have a future material impact on the Department's financial statements which are applicable to the Department for future reporting periods:

<b>Standard/ Interpretation</b>	<b>Application date</b>	<b>Nature of impending changes in accounting policy and likely impact on initial application</b>
AASB 2015–6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	1 July 2016	The amended standard requires not-for-profit public sector entities to provide additional disclosure in relation to related party interactions.  The Department may be required to identify and disclose transactions with key management personnel that occur outside the person's capacity as an ordinary taxpayer, or that involve a benefit not available to the general public.
AASB 16 <i>Leases</i>	1 July 2019	AASB 16 replaces AASB 117 and other lease-related Interpretations. The new standard requires all leases to be accounted for 'on balance sheet' by lessees to better reflect the economics of the transactions.  The Department will be required to assess current lease arrangements and recognise relevant balances as leased assets and liabilities.

## COMPARATIVE FIGURES

The comparative information contained in the Department's primary statements and notes include a separate column for ACBPS's 2014–15 results. Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required. This includes reclassifications to achieve consistency in presentation between the Department and the former ACBPS. Where material, the impact of reclassifications have been disclosed within the relevant note.

## REPORTING OF ADMINISTERED ACTIVITIES

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes. Accounting policies applicable only to administered activities are shaded.

The Department administered the following activities on behalf of Government:

- **Programme 1.2:** Border Management
- **Programme 1.3:** Compliance and Detention
- **Programme 1.4:** Illegal Maritime Arrivals Onshore Management
- **Programme 1.5:** Illegal Maritime Arrivals Offshore Management
- **Programme 1.6:** Regional Cooperation
- **Programme 2.3:** Visas
- **Programme 2.4:** Refugee and Humanitarian Assistance

## TAXATION

The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office
- for receivables and payables.

## EVENTS AFTER THE REPORTING PERIOD

### DEPARTMENTAL

No events have occurred after the reporting date that would have a significant effect on the 2015–16 financial statements.

### ADMINISTERED

On 17 August 2016 the Minister for Immigration and Border Protection confirmed that the longstanding position of the Australian Government is to work with Papua New Guinea (PNG) to close the Regional Processing Centre on Manus Island. The Australian and the PNG Governments are working on the detailed implementation of this position and until this is finalised the impact on the Department's financial statements is unable to be determined.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1. DEPARTMENTAL FINANCIAL PERFORMANCE

This section analyses the financial performance of the Department for the year ended 30 June 2016.

### 1.1 EXPENSES

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 1.1A: Employee benefits</b>			
Wages and salaries	910,124	563,943	347,716
Superannuation <sup>a</sup>			
Defined contribution plans	84,664	52,014	26,322
Defined benefit plans	123,861	66,223	52,515
Leave and other entitlements	248,841	116,315	93,902
Separation and redundancies	9,717	9,186	4,530
Other employee expenses	73,793	34,933	38,419
<b>Total employee benefits</b>	<b>1,451,000</b>	<b>842,614</b>	<b>563,404</b>

Refer employee provisions at Note 6.1 for details of accounting policies and judgements adopted.

- a. In DIBP's 2014-15 published financial statements, all superannuation expense was recognised as relating to Defined Contribution Plans. This treatment has been corrected to separate the expense into two categories: defined benefit plans and defined contribution plans.

### Note 1.1B: Suppliers

#### Goods and services supplied or rendered

Contractors and consultants	271,434	180,969	80,090
Information technology and communications	238,123	115,687	82,216
Border control operational	105,719	-	105,427
Office accommodation and consumables	94,145	63,359	34,461
Travel	84,397	49,512	26,733
Legal and litigation	45,392	37,466	2,925
Fringe Benefits Tax	28,219	15,721	6,345
Bank and merchant fees	14,054	11,039	208
Training	16,241	7,507	5,773
Other	55,141	42,769	29,860
<b>Total goods and services supplied or rendered</b>	<b>952,865</b>	<b>524,029</b>	<b>374,038</b>

#### Other suppliers

Operating lease rentals in connection with			
Minimum lease payments	227,927	67,989	176,950
Sublease	11,708	11,958	-
Workers compensation expenses	35,753	17,856	19,782
<b>Total other suppliers</b>	<b>275,388</b>	<b>97,803</b>	<b>196,732</b>
<b>Total suppliers</b>	<b>1,228,253</b>	<b>621,832</b>	<b>570,770</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Leasing commitments

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. This is comprised of two agreements for desktop infrastructure, midrange infrastructure and software.
- Other leases. This includes leases for coastal and maritime surveillance related activities.

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</b>			
Within 1 year	264,187	77,366	178,214
Between 1 to 5 years	775,749	159,589	595,917
More than 5 years	153,249	7,752	249,432
<b>Total suppliers</b>	<b>1,193,185</b>	<b>244,707</b>	<b>1,023,563</b>

### ACCOUNTING POLICY

#### Leases

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the lease arrangements. Where leased premises are considered onerous, the operating rent has been brought to account in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Lease incentives taking the form of free leasehold improvements and rent holidays are recognised as liabilities. Subsequent lease payments are allocated between a reduction of the liability and property rental expense to effect a spreading of the rental expense in accordance with the pattern of benefits derived from the rental properties.

The Department makes an immediate allowance for property make-good where required under lease agreements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 1.1C: Writedown and impairment of assets</b>			
<b>Asset impairments from</b>			
Financial instruments	8,774	6,998	(28)
Intangible assets	4,980	-	476
Plant and equipment	751	500	726
Land and buildings	303	-	-
<b>Asset writedowns from</b>			
Intangible assets	223	2,394	-
Plant and equipment	352	96	-
Leasehold improvements	299	-	-
Vessels	34	-	-
Inventory	-	-	444
<b>Total writedown and impairment of assets</b>	<b>15,716</b>	<b>9,988</b>	<b>1,618</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1.2 OWN-SOURCE REVENUE AND GAINS

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 1.2A: Sale of goods and rendering of services</b>			
Sale of goods	561	27	489
Rendering of services	<u>108,914</u>	<u>57,631</u>	<u>69,536</u>
<b>Total sale of goods and rendering of services</b>	<u>109,475</u>	<u>57,658</u>	<u>70,025</u>

#### **Note 1.2B: Recovery of costs**

Legal	13,878	11,180	491
Merchant fees	15,856	14,785	-
Comcover insurance recoveries	2,050	10,325	-
Other	<u>3,911</u>	<u>1,200</u>	<u>1,606</u>
<b>Total recovery of costs</b>	<u>35,695</u>	<u>37,490</u>	<u>2,097</u>

#### **Note 1.2C: Rental income**

Operating lease			
Property rental	<u>3,662</u>	<u>1,420</u>	<u>2,597</u>
<b>Total rental income</b>	<u>3,662</u>	<u>1,420</u>	<u>2,597</u>

#### **Subleasing rental income commitments**

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

#### **Commitments for sublease rental income receivables are as follows:**

Within 1 year	1,974	1,280	1,735
Between 1 to 5 years	256	18	456
More than 5 years	<u>459</u>	<u>-</u>	<u>-</u>
<b>Total sublease rental income commitments</b>	<u>2,689</u>	<u>1,298</u>	<u>2,191</u>

#### **Note 1.2D: Other revenue**

Resources received free of charge			
Property related	6,759	-	5,331
Remuneration of auditors	1,290	615	740
Senior Executive services	-	1,574	2,930
Other resources received free of charge	259	114	-
Transfers from DFAT	<u>9,500</u>	<u>-</u>	<u>-</u>
Other revenue	<u>2,441</u>	<u>7,394</u>	<u>900</u>
<b>Total other revenue</b>	<u>20,249</u>	<u>9,697</u>	<u>9,901</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 1.2E: Other gains</b>			
Reversal of provisions	-	13,913	-
Resources received free-of-charge			
Ocean Shield Vessel	-	-	98,900
Other – CCTV	2,904	-	3,868
Gain on sales of property, plant and equipment	50	37	6
Foreign exchange gains – non speculative	67	9	-
Write back of financial instruments	-	1,401	4
<b>Total other gains</b>	<b>3,021</b>	<b>15,360</b>	<b>102,778</b>

### ACCOUNTING POLICY

#### Revenue from the sale of goods or rendering of services

Revenue from the sale of goods is recognised when the risks and rewards of ownership have been transferred to the buyer, the Department retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the Department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- the probable economic benefits associated with the transaction will flow to the Department.

The stage of completion of contracts at the reporting date is determined by reference to:

- services performed to date as a percentage of total services to be performed
- the proportion that costs incurred to date bear to the estimated total costs of the transaction.

#### Resources received free-of-charge

Use of those resources is recognised as an expense. Resources received free-of-charge are recorded as either revenue or gains depending on their nature.

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 (refer to Note 8.1).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 2. INCOME AND EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT

### 2.1 ADMINISTERED – INCOME

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 2.1A: Taxation Revenue</b>			
Customs duty	14,044,689	-	10,882,321
Other taxes			
Visa Application Charges	1,913,947	1,818,674	-
Passenger Movement Charge	913,468	-	881,298
Import Processing Charges	373,824	-	351,351
Licenses	13,125	8,682	4,127
Total other taxes	<u>3,214,364</u>	<u>1,827,356</u>	<u>1,236,776</u>
<b>Total taxation revenue</b>	<b><u>17,259,053</u></b>	<b><u>1,827,356</u></b>	<b><u>12,119,097</u></b>
<b>Note 2.1B: Non-taxation revenue</b>			
Immigration fees			
Citizenship	41,248	34,843	-
Other	695	5,475	-
Total immigration fees	<u>41,943</u>	<u>40,318</u>	<u>-</u>
Other revenue			
Recovery of detention costs	9,872	6,502	-
Immigration fines	1,693	2,211	-
Other penalties, fines and prosecutions	2,923	-	4,212
Other	6,873	3,723	217
Total other revenue	<u>21,361</u>	<u>12,436</u>	<u>4,429</u>
<b>Total non-taxation revenue</b>	<b><u>63,304</u></b>	<b><u>52,754</u></b>	<b><u>4,429</u></b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### ACCOUNTING POLICY

All administered revenues relate to ordinary activities performed by the Department on behalf of the Government.

Administered revenues are recognised when the Government gains control of and can reliably measure or estimate the future economic benefits that flow from the revenue items that the Department administers. In line with the relevant applicable legislative provisions, the revenue recognition policy adopted for the major classes of administered revenue is described below.

#### 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 comprised of the following items:

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

#### Compliance framework – revenue

The compliance regime for Customs duty and other border related collections is intelligence-driven and assesses the charges and penalties for non-compliance. 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. Revenue is recognised at its nominal amount due, less any impairment allowance.

#### 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 by a lodged application.

#### Passenger Movement Charge (PMC)

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Import Processing Charge (IPC)

This item includes Import Processing Charge (IPC), Depot Charges and the Depot Licence Charge. The charges are set by the *Import Processing Charges Act 2001* and changed from 1 January 2014 by the *Import Processing Charges Amendment Act 2013*. The IPC recovers the costs associated with DIBP trade and goods activities. Import Processing Charges are levied on Full Import Declarations (FIDs) relating to goods valued at greater than \$1,000. The IPC also includes charges relating to the issue of licences (primarily Depot Licences) under which brokers and importers have the right to store goods for a period of time before they are deemed to be either brought into home consumption and the relevant duty applied (that is consumption within Australia) or exported overseas. The Depot Licence Charges are recognised in the appropriate reporting period to which the licences relate.

### KEY JUDGEMENTS AND ESTIMATES

In the process of applying the accounting policies listed in this Note, the following judgements have been made.

#### Customs duty revenue recognition

An estimate of revenue has been included for those goods that have entered into home consumption during the reporting period, but for which duty has not yet been paid. Under the current legislative arrangements, goods can be moved into home consumption with certain importers having up to seven days from the date of release of the goods to make the requisite payment. The value of revenue included in the financial statements is a best estimate of the amount of revenue that is likely to be due for this seven day period.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 2.2 ADMINISTERED – EXPENSES

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 2.2A: Suppliers</b>			
<b>Services rendered</b>			
Detention	1,107,330	1,142,275	-
Client support services	225,373	268,604	-
Health services	103,222	114,225	-
Property	106,057	110,180	-
Travel and transport	105,070	117,258	-
Contractors and consultants	6,218	22,741	-
Other	42,131	23,361	934
<b>Total services rendered</b>	<b>1,695,401</b>	<b>1,798,644</b>	<b>934</b>
<b>Other suppliers</b>			
Operating lease rentals in connection with minimum lease payments	20,010	31,880	-
<b>Total other suppliers</b>	<b>20,010</b>	<b>31,880</b>	<b>-</b>
<b>Total suppliers</b>	<b>1,715,411</b>	<b>1,830,524</b>	<b>934</b>
<b>Leasing commitments</b>			
Operating leases included are effectively non-cancellable and include the leasing of facilities to accommodate Illegal Maritime Arrivals (IMAs) and residential leases to house contractors and interpreters.			
<b>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</b>			
Within 1 year	16,937	45,610	-
Between 1 to 5 years	6,181	18,934	-
More than 5 years	45	-	-
<b>Total operating lease commitments</b>	<b>23,163</b>	<b>64,544</b>	<b>-</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 2.2B: Personal Benefits</b>			
Direct	276,520	320,807	-
Indirect	118,831	181,018	-
State payments – refugee minors	6,474	7,081	-
<b>Total personal benefits</b>	<b>401,825</b>	<b>508,906</b>	<b>-</b>

### ACCOUNTING POLICY

Personal benefits are paid to assist in providing living costs of asylum seekers and refugees. 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). Payments are recognised when made either to a service provider or directly to recipients. Personal benefits do not require any economic benefit to flow back to the Government.

### Note 2.2C: Write-Down and impairment of assets

#### Asset impairment from

Receivables – tax related	6,683	-	4,685
Receivables – non-tax related	32,046	10,160	5,183

#### Asset writedowns from

Land and buildings	739	27,181	-
Leasehold improvement	371	12,119	-
Property, plant and equipment	151	38,261	-

#### Total write-down and impairment of assets

39,990	87,721	9,868
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### Note 2.2D: Other expenses

Foreign exchange losses – non-speculative	3,123	983	-
Losses from asset sales	20	3,990	-
Act of grace payments	123	-	-
Debt waivers	-	13	-
Gifting of public property	121	641	-
<b>Total other expenses</b>	<b>3,387</b>	<b>5,627</b>	<b>-</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 3. DEPARTMENTAL FINANCIAL POSITION

This section analyses the Department's assets used to generate financial performance and the operating liabilities incurred as a result.

Employee related information is disclosed in the People and Relationships section.

### 3.1 FINANCIAL ASSETS

	<b>DIBP</b>	DIBP	ACBPS
	<b>2016</b>	2015	2015
	<b>\$'000</b>	\$'000	\$'000
<b>Note 3.1A: Cash and cash equivalents</b>			
Cash at bank	<b>3,358</b>	1,681	4,830
Cash on hand or on deposit	<b>51</b>	35	-
<b>Total cash and cash equivalents</b>	<b>3,409</b>	1,716	4,830

#### ACCOUNTING POLICY

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- cash on hand
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

#### **Note 3.1B: Trade and other receivables**

<b>Goods and services receivables</b>	<b>41,542</b>	28,927	5,194
<b>Appropriations receivables</b>			
Existing programmes	<b>445,045</b>	345,935	125,090
Accrued for additional outputs	<b>21,764</b>	3,540	-
<b>Total appropriations receivable</b>	<b>466,809</b>	349,475	125,090
<b>Other receivables</b>			
Statutory receivables	<b>29,217</b>	10,551	12,167
Advances	<b>156</b>	-	1,406
Other	<b>234</b>	-	1,184
<b>Total other receivables</b>	<b>29,607</b>	10,551	14,757
<b>Total trade and other receivables (gross)</b>	<b>537,958</b>	388,953	145,041
<b>Less impairment allowance</b>			
Goods and services	<b>(19,533)</b>	(15,454)	(1,391)
<b>Total impairment allowance</b>	<b>(19,533)</b>	(15,454)	(1,391)
<b>Total trade and other receivables (net)</b>	<b>518,425</b>	373,499	143,650

All trade and other receivables are expected to be recovered in no more than 12 months.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Trade and other receivables (gross) aged as follows</b>			
Not overdue	508,429	368,926	142,096
Overdue by			
0 to 30 days	5,646	2,995	670
31 to 60 days	1,851	1,444	107
61 to 90 days	1,323	1,518	68
More than 90 days	20,709	14,070	2,100
<b>Total trade and other receivables (gross)</b>	<u>537,958</u>	<u>388,953</u>	<u>145,041</u>
<b>Impairment allowance aged as follows</b>			
Not overdue	(2,821)	(2,149)	-
Overdue by			
0 to 30 days	(1,291)	(1,037)	(71)
31 to 60 days	(800)	(696)	(5)
61 to 90 days	(808)	(910)	(13)
More than 90 days	(13,813)	(10,662)	(1,302)
<b>Total impairment allowance</b>	<u>(19,533)</u>	<u>(15,454)</u>	<u>(1,391)</u>

### ACCOUNTING POLICY

The Department classifies its financial assets as 'loans and receivables' based on the nature and purpose at the time of initial recognition. Loans and receivables are measured at amortised cost using the effective interest method less impairment. All financial assets are expected to be recovered in no more than 12 months.

Receivables arising from sales of goods and services, which have 30 day trading terms, 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 JUDGEMENTS AND ESTIMATES

Financial assets are assessed for impairment at the end of each reporting period. All external receivables are regularly assessed for likelihood of recovery 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

### Reconciliation of the impairment allowance

#### Movements in relation to 2016 and 2015

	<b>Goods and services DIBP 2016 \$'000</b>	Goods and services DIBP 2015 \$'000	Goods and services ACBPS 2015 \$'000
<b>As at 1 July</b>	<b>(15,454)</b>	(15,559)	(1,416)
Restructuring	<b>(1,391)</b>	-	-
Amounts written off	<b>7,297</b>	7,103	(3)
Amounts waived	<b>39</b>	-	-
Amounts recovered and reversed	<b>(1,250)</b>	-	-
Increase/(decrease) recognised in net surplus	<b>(8,774)</b>	(6,998)	28
<b>Total as at 30 June</b>	<b>(19,533)</b>	(15,454)	(1,391)

# 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

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2016

<b>DIBP</b>	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Vessels \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
<b>As at 1 July 2015</b>							
Gross book value	400	260	80,706	-	67,018	779,505	927,889
Accumulated depreciation and impairment	-	-	-	-	(8,462)	(485,018)	(493,480)
<b>Total as at 1 July 2015</b>	<b>400</b>	<b>260</b>	<b>80,706</b>	<b>-</b>	<b>58,556</b>	<b>294,487</b>	<b>434,409</b>
<b>Additions</b>							
Purchased or internally developed	368	1,804	13,249	77,087	69,887	162,933	325,328
Restructuring	22,965	44,070	62,076	349,207	165,132	164,581	808,031
Resources received free of charge	-	-	-	-	2,904	-	2,904
Revaluations recognised in other comprehensive income	-	-	-	(3,569)	-	-	(3,569)
Impairments recognised in net cost of services	-	-	(303)	-	(751)	(4,980)	(6,034)
Reclassifications	559	1,132	(3,180)	698	5,327	(4,536)	-
Depreciation and amortisation	-	(2,260)	(42,453)	(31,038)	(66,654)	(135,106)	(277,511)
Other movements							
Write-offs	-	-	(300)	(33)	(352)	(223)	(908)
Other	(1)	-	3	-	(2)	1	1
Disposals	-	-	-	-	(5)	-	(5)
<b>Total as at 30 June 2016</b>	<b>24,291</b>	<b>45,006</b>	<b>109,798</b>	<b>392,352</b>	<b>234,042</b>	<b>477,157</b>	<b>1,282,646</b>
<b>Total as at 30 June 2016 represented by</b>							
Gross book value - at fair value							
Assets in use	24,291	47,266	142,022	392,352	246,080	-	852,011
Work in progress	-	-	10,162	-	62,991	-	73,153
Gross book value - at cost							
Internally developed—in progress	-	-	-	-	-	131,495	131,495
Internally developed—in use	-	-	-	-	-	859,151	859,151
Purchased	-	-	-	-	-	104,520	104,520
Accumulated depreciation and amortisation <sup>a</sup>	-	(2,260)	(42,386)	-	(75,029)	(618,009)	(737,684)
<b>Total as at 30 June 2016</b>	<b>24,291</b>	<b>45,006</b>	<b>109,798</b>	<b>392,352</b>	<b>234,042</b>	<b>477,157</b>	<b>1,282,646</b>

a. The accumulated depreciation balance as at 30 June 2016 includes the impact of the revaluation process.

## 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 in the Accounting Policy section in Note 3.2.

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

Capital commitments relate predominantly to information and communications technology assets.

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
Commitments are payable as follows:			
Within 1 year	22,344	1,438	141,673
Between 1 to 5 years	10,806	-	55,111
More than 5 years	-	-	14
<b>Total Commitments</b>	<b>33,150</b>	<b>1,438</b>	<b>196,798</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2015

<b>DIBP</b>	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Vessels \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2014							
Gross book value	400	275	55,247	-	60,058	720,021	836,001
Accumulated depreciation and impairment	-	-	(3,199)	-	(9,675)	(416,309)	(429,183)
Total as at 1 July 2014	400	275	52,048	-	50,383	303,712	406,818
Additions							
Purchased or internally developed	-	-	14,346	-	10,258	84,289	108,893
Revaluations recognised in other comprehensive income	-	(1)	27,283	-	4,365	-	31,647
Impairments recognised in net cost of services	-	-	-	-	(500)	(2,394)	(2,894)
Reclassifications	-	-	571	-	15,414	(15,985)	-
Depreciation and amortisation	-	(14)	(13,542)	-	(21,161)	(75,135)	(109,852)
Write-offs	-	-	-	-	(96)	-	(96)
Disposals	-	-	-	-	(107)	-	(107)
Total as at 30 June 2015	400	260	80,706	-	58,556	294,487	434,409
Total as at 30 June 2015 represented by							
Gross book value - at fair value	400	260	68,156	-	57,764	-	126,580
Assets in use	-	-	12,550	-	9,254	-	21,804
Work in progress	-	-	-	-	-	-	-
Gross book value - at cost	-	-	-	-	-	-	-
Internally developed—in progress	-	-	-	-	-	59,232	59,232
Internally developed—in use	-	-	-	-	-	658,436	658,436
Purchased	-	-	-	-	-	61,837	61,837
Accumulated depreciation and amortisation <sup>a</sup>	-	-	-	-	(8,462)	(485,018)	(493,480)
Total as at 30 June 2015	400	260	80,706	-	58,556	294,487	434,409

a. The accumulated depreciation balance as at 30 June 2015 includes the impact of the revaluation process.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2015

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Vessels \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
<b>ACBPS</b>							
As at 1 July 2014							
Gross book value	25,500	48,921	68,445	181,521	115,438	479,477	919,302
Accumulated depreciation and impairment	-	-	-	-	-	(304,598)	(304,598)
Total as at 1 July 2014	25,500	48,921	68,445	181,521	115,438	174,879	614,704
<b>Additions</b>							
Purchased or internally developed	-	774	12,878	87,847	73,481	30,365	205,345
Donation/gift	-	-	-	98,900	3,868	-	102,768
Impairments recognised in net cost of services	-	-	-	-	(726)	(476)	(1,202)
Reversal of impairments recognised in net cost of services	-	-	-	-	-	3	3
Revaluations recognised in other comprehensive income	(2,535)	(3,120)	1,507	2,410	8,722	-	6,984
Depreciation and amortisation	-	(2,505)	(19,402)	(22,823)	(35,646)	(40,190)	(120,566)
Reclassification	-	-	(1,352)	1,352	-	-	-
Other	-	-	-	-	(5)	-	(5)
Total as at 30 June 2015	22,965	44,070	62,076	349,207	165,132	164,581	808,031
Total as at 30 June 2015 represented by							
Gross book value - at fair value							
Assets in use	22,965	44,070	62,076	349,207	165,132	-	643,450
Gross book value - at cost							
Internally developed—in progress	-	-	-	-	-	16,655	16,655
Internally developed—in use	-	-	-	-	-	436,743	436,743
Purchased	-	-	-	-	-	42,683	42,683
Accumulated depreciation and impairment	-	-	-	-	-	(331,500)	(331,500)
Total as at 30 June 2015	22,965	44,070	62,076	349,207	165,132	164,581	808,031

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### ACCOUNTING POLICY

#### 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 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. This is particularly relevant to 'make good' provisions in property leases taken up by the Department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for the 'make good' recognised.

#### 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 regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. An external review was undertaken in 2015–16 of the valuations of all capitalised assets.

Revaluation adjustments were made on a class basis. Any revaluation increment was 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 were 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

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives) and residual values are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. All new assets are generally assigned useful lives as identified in the table below. In some limited cases, specific management advice may result in a useful life, for a particular asset, being assigned outside the ranges per the table.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2016</b>	<b>2015</b>
Buildings on freehold land	Up to 40 years	Up to 40 years
Leasehold improvements	Lesser of the useful life of the fitout or the lease term.	Lesser of the useful life of the fitout or the lease term.
Plant and equipment	3 to 10 years	3 to 10 years
Vessels	3 to 20 years	3 to 20 years

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Impairment

All assets were assessed for impairment at 30 June 2016. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's 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.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### Intangibles

The Department's intangibles primarily comprise purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the Department's software is three to seven years (2015: three to ten years).

Useful lives of intangible assets are determined by the business unit responsible for the asset upon capitalisation. Useful lives are reviewed annually to determine that they remain appropriate.

The recognition thresholds for internally developed software (IDS) are \$250,000 for new IDS assets, \$100,000 for enhancements

to existing internally developed software, and \$100,000 for purchased software.

All software assets were assessed for indications of impairment as at 30 June 2016.

### KEY ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the accounting policies listed in this note, the Department has made the following judgements that have the most significant impact on the amounts recorded in the financial statements.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### Land and buildings

The fair value of land and buildings has been taken to be the market value of similar assets or depreciated replacement value as determined by an independent valuer. In some instances, departmental buildings are purpose-built and may in fact realise more or less in the market if they were disposed.

#### Property, plant and equipment

The fair value of property, plant and equipment has been taken to be the market value of similar assets or depreciated replacement value as determined by an independent valuer.

#### 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 may be determined with reference to the individual component of the primary asset, whichever is shorter.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Ocean Shield Vessel

The acquisition value of this vessel by ACBPS in July 2014 was determined on a fair value basis by an independent valuer who compared the vessel with similar commercial offshore supply vessels built or sold over the previous 10 years.

Subsequent modifications to provide humanitarian and transport capabilities have been accounted for at cost.

### Assets under construction

Assets under construction (AUC) are recorded at acquisition cost and are separately identified as 'work-in-progress' in Note 3.2A. 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 prior to 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 or purchased assets.

No material property, plant and equipment is expected to be sold or disposed of within the next 12 months.

	<b>DIBP</b>	DIBP	ACBPS
	<b>2016</b>	2015	2015
	<b>\$'000</b>	\$'000	\$'000
<b>Note 3.2B: Other non-financial assets</b>			
Prepayments	<b>43,374</b>	27,425	15,090
Contract incentive	<b>6,737</b>	-	5,053
<b>Total other non-financial assets</b>	<b>50,111</b>	27,425	20,143
<b>Other non-financial assets expected to be recovered</b>			
No more than 12 months	<b>36,172</b>	24,630	11,024
More than 12 months	<b>13,939</b>	2,795	9,119
<b>Total other non-financial assets</b>	<b>50,111</b>	27,425	20,143

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 3.3 PAYABLES

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 3.3A: Suppliers</b>			
Trade creditors and accruals	248,142	123,695	86,681
Operating lease rentals	16,080	10,944	18,828
<b>Total suppliers</b>	<b>264,222</b>	<b>134,639</b>	<b>105,509</b>
<b>Total supplier payables expected to be settled in</b>			
No more than 12 months	250,598	125,300	97,412
More than 12 months	13,624	9,339	8,097
<b>Total supplier payables</b>	<b>264,222</b>	<b>134,639</b>	<b>105,509</b>
<b>Note 3.3B: Other payables</b>			
Wages and salaries	4,782	23,267	22,644
Superannuation	751	4,063	3,926
Unearned income	1,631	1,480	1,935
Separations and redundancies	7,088	10,151	-
Other	3,046	3,931	3,119
<b>Total other payables</b>	<b>17,298</b>	<b>42,892</b>	<b>31,624</b>
<b>Other payables expected to be settled</b>			
No more than 12 months	15,564	40,652	31,194
More than 12 months	1,734	2,240	430
<b>Total other payables</b>	<b>17,298</b>	<b>42,892</b>	<b>31,624</b>

#### ACCOUNTING POLICY

Financial liabilities are classified as 'other financial liabilities' and are recognised and derecognised upon trade date.

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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 3.4 OTHER PROVISIONS

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 3.4A: Other provisions</b>			
Restoration obligations <sup>a</sup>	38,210	20,690	16,455
Onerous contracts	-	1,593	-
<b>Total other provisions</b>	<b>38,210</b>	<b>22,283</b>	<b>16,455</b>
<b>Other provisions expected to be settled</b>			
No more than 12 months	11,810	6,099	4,812
More than 12 months	26,400	16,184	11,643
<b>Total other provisions</b>	<b>38,210</b>	<b>22,283</b>	<b>16,455</b>

	Provision for restoration obligations <sup>a</sup> \$'000	Provision for onerous contracts \$'000	Total \$'000
<b>As at 1 July 2015</b>	<b>20,690</b>	<b>1,593</b>	<b>22,283</b>
Restructuring	16,455	-	16,455
Amounts reversed	(330)	(1,593)	(1,923)
Amounts used	(22)	-	(22)
Unwinding of discount or change in discount rate	1,417	-	1,417
<b>Total as at 30 June 2016</b>	<b>38,210</b>	<b>-</b>	<b>38,210</b>

- a. The Department has 110 (DIBP 2014–15: 75, ACBPS 2014–15: 44) agreements for the leasing of premises which have provisions requiring restoration of the premises to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of these obligations.

### ACCOUNTING POLICY

#### Provision for restoration

The provision for restoration relates to leased accommodation both in Australia and overseas where the Department is required to restore the premises upon termination of the lease. Although the estimated quantum for restoration was provided by property consultants, the value of this provision will be affected by future changes in inflation rates as well as foreign exchange rates.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 4. ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT

#### 4.1 ADMINISTERED – FINANCIAL ASSETS

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 4.1A: Taxation receivables</b>			
Customs duty	238,101	-	163,813
Visa Application Charges	4,210	-	-
Passenger Movement Charge	108,124	-	129,368
Import Processing Charges and licences	1,729	-	651
<b>Total taxation receivables (gross)</b>	<b>352,164</b>	<b>-</b>	<b>293,832</b>
Less impairment allowance	(11,012)	-	(7,294)
<b>Total trade and other receivables (net)</b>	<b>341,152</b>	<b>-</b>	<b>286,538</b>
Taxation receivables (gross) aged as follows:			
Not overdue	319,930	-	274,346
Overdue by:			
0 to 30 days	5,494	-	215
31 to 60 days	2,805	-	1,090
61 to 90 days	651	-	1,480
More than 90 days	23,284	-	16,701
<b>Total receivables (gross)</b>	<b>352,164</b>	<b>-</b>	<b>293,832</b>
Impairment allowance aged as follows:			
Not overdue	(262)	-	-
Overdue by:			
0 to 30 days	(57)	-	(110)
31 to 60 days	(50)	-	(73)
61 to 90 days	(26)	-	(12)
More than 90 days	(10,617)	-	(7,099)
<b>Total impairment allowance</b>	<b>(11,012)</b>	<b>-</b>	<b>(7,294)</b>

#### ACCOUNTING POLICY

All taxation revenue related administered 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 4.1B: Non-tax receivables</b>			
<b>Other receivables</b>			
Personal benefits	25,417	3,402	-
Penalties, fines and prosecutions	30,343	-	31,379
Statutory receivables	15,832	15,448	-
Other	5,070	3,355	-
<b>Total other receivables</b>	<b>76,662</b>	<b>22,205</b>	<b>31,379</b>
<b>Total trade and other receivables (gross)</b>	<b>76,662</b>	<b>22,205</b>	<b>31,379</b>
<b>Less impairment allowance</b>			
Other receivables	(55,162)	(5,249)	(25,577)
<b>Total impairment allowance</b>	<b>(55,162)</b>	<b>(5,249)</b>	<b>(25,577)</b>
<b>Total trade and other receivables (net)</b>	<b>21,500</b>	<b>16,956</b>	<b>5,802</b>

All trade and other receivables are expected to be recovered in no more than 12 months.

### Trade and other receivables (gross) aged as follows

Not overdue	17,791	19,033	1,086
Overdue by			
0 to 30 days	2,895	889	99
31 to 60 days	851	500	355
61 to 90 days	2,036	142	97
More than 90 days	53,089	1,641	29,742
<b>Total trade and other receivables (gross)</b>	<b>76,662</b>	<b>22,205</b>	<b>31,379</b>

### Impairment allowance aged as follows

Not overdue	(1,628)	(2,820)	(1)
Overdue by			
0 to 30 days	(1,844)	(661)	(67)
31 to 60 days	(728)	(374)	(41)
61 to 90 days	(1,146)	(80)	(28)
More than 90 days	(49,816)	(1,314)	(25,440)
<b>Total impairment allowance</b>	<b>(55,162)</b>	<b>(5,249)</b>	<b>(25,577)</b>

Credit terms for non-tax receivables were usually within 30 days (2015: 30 days). Receivables in relation to penalties, fines and infringements may have extended credit terms depending on the ruling of each case.

### ACCOUNTING POLICY

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 4.1C: Reconciliation of the Impairment Allowance

Movements in relation to 2016	Non-taxation receivables \$'000	Taxation receivables \$'000	Total \$'000		
<b>As at 1 July 2015</b>	(5,249)	-	(5,249)		
Restructuring	(25,577)	(7,294)	(32,871)		
Amounts written-off	7,710	2,965	10,675		
Amounts recovered and reversed	-	-	-		
(Increase)/decrease recognised in net surplus	(32,046)	(6,683)	(38,729)		
<b>Total as at 30 June 2016</b>	<b>(55,162)</b>	<b>(11,012)</b>	<b>(66,174)</b>		
Movements in relation to 2015	Non-taxation receivables DIBP \$'000	Non-taxation receivables ACBPS \$'000	Taxation receivables ACBPS \$'000	Total DIBP \$'000	Total ACBPS \$'000
As at 1 July 2014	(7,425)	(26,140)	(14,696)	(7,425)	(40,836)
Amounts written off	12,336	56	11,186	12,336	11,242
Amounts recovered and reversed	-	5,690	901	-	6,591
Increase/(decrease) recognised in net surplus	(10,160)	(5,183)	(4,685)	(10,160)	(9,868)
Total as at 30 June 2015	(5,249)	(25,577)	(7,294)	(5,249)	(32,871)

### ACCOUNTING JUDGEMENTS AND ESTIMATES

Financial assets are assessed for impairment at the end of each reporting period. All external receivables are regularly assessed for likelihood of recovery 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

### 4.2 ADMINISTERED – NON-FINANCIAL ASSETS

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

##### Reconciliation of the opening and closing balances of property, plant and equipment for 2016

	Land	Buildings	Leasehold improvements	Total Land and buildings <sup>a</sup>	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2015</b>						
Gross book value	64,098	1,120,151	161,129	1,345,378	164,647	1,510,025
Accumulated depreciation and impairment	-	(1,929)	-	(1,929)	(343)	(2,272)
<b>Total as at 1 July 2015</b>	<b>64,098</b>	<b>1,118,222</b>	<b>161,129</b>	<b>1,343,449</b>	<b>164,304</b>	<b>1,507,753</b>
Additions						
By purchase	-	115,425	-	115,425	10,406	125,831
Transfers from other entities <sup>b</sup>		30,694		30,694	3,811	34,505
Revaluations and impairments recognised in other comprehensive income	(350)	(710)	-	(1,060)	-	(1,060)
Reclassifications	-	(70,247)	60,168	(10,079)	10,079	-
Depreciation	-	(80,456)	(30,336)	(110,792)	(14,545)	(125,337)
Other movements						
Write-offs	-	(739)	(371)	(1,110)	(151)	(1,261)
Other	-	1	-	1	(6)	(5)
Disposals	-	-	-	-	(43)	(43)
<b>Total as at 30 June 2016</b>	<b>63,748</b>	<b>1,112,190</b>	<b>190,590</b>	<b>1,366,528</b>	<b>173,855</b>	<b>1,540,383</b>
<b>Total as at 30 June 2016 represented by</b>						
Fair value						
Assets in use	47,598	1,029,063	220,137	1,296,798	183,229	1,480,027
Assets held for sale	16,150	8,985	-	25,135	-	25,135
Work in progress	-	156,435	952	157,387	5,094	162,481
Accumulated depreciation and impairment <sup>c</sup>	-	(82,293)	(30,499)	(112,792)	(14,468)	(127,260)
<b>Total as at 30 June 2016</b>	<b>63,748</b>	<b>1,112,190</b>	<b>190,590</b>	<b>1,366,528</b>	<b>173,855</b>	<b>1,540,383</b>

a. The total land and buildings amount 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 \$25.135 million (DIBP 2014–15: \$27.885 million).

b. Relates to assets transferred by the Department of Finance which had project managed their construction.

c. The accumulated depreciation on balance as at 30 June 2016 includes the impact of the revaluation process.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Reconciliation of the opening and closing balances of property, plant and equipment for 2015						
	Land	Buildings	Leasehold improvements	Total Land and buildings <sup>a</sup>	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014						
Gross book value	71,255	1,004,917	140,832	1,217,004	158,073	1,375,077
Accumulated depreciation and impairment	-	(2,331)	(671)	(3,002)	(469)	(3,471)
Total as at 1 July 2014	71,255	1,002,586	140,161	1,214,002	157,604	1,371,606
Additions						
By purchase	-	344,014	336	344,350	3,848	348,198
Revaluations and impairments recognised in other comprehensive income	(6,024)	(15,987)	(13,289)	(35,300)	(607)	(35,907)
Reclassifications	-	(125,824)	68,704	(57,120)	57,120	-
Depreciation	-	(56,128)	(22,663)	(78,791)	(15,282)	(94,073)
Other						
Write-offs	(1,133)	(26,049)	(12,120)	(39,302)	(38,259)	(77,561)
Disposals	-	(4,390)	-	(4,390)	(120)	(4,510)
Total as at 30 June 2015	64,098	1,118,222	161,129	1,343,449	164,304	1,507,753
Total as at 30 June 2015 represented by Fair value						
Assets in use	45,198	696,704	158,467	900,369	162,111	1,062,480
Assets held for sale	18,900	8,985	-	27,885	-	27,885
Work in progress	-	414,462	2,662	417,124	2,536	419,660
Accumulated depreciation and impairment <sup>b</sup>	-	(1,929)	-	(1,929)	(343)	(2,272)
Total as at 30 June 2015	64,098	1,118,222	161,129	1,343,449	164,304	1,507,753

a. The total land and buildings amount 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 \$27,885 million.

b. The accumulated depreciation balance as at 30 June 2015 includes the impact of the revaluation process. The former ACBPS did not report administered property, plant and equipment.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

Contractual commitments relate to the building of infrastructure on Nauru and Papua New Guinea related to offshore processing centres, post facilities and associated support projects.

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
Commitments are payable as follows:			
Within 1 year	71,482	96,731	-
Between 1 to 5 years	-	-	-
More than 5 years	-	-	-
Total Commitments	71,482	96,731	-

No indicators of impairment were found for property, plant and equipment in 2015-16.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 4.3 ADMINISTERED – PAYABLES

	<b>DIBP 2016 \$'000</b>	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 4.3A: Suppliers</b>			
Trade creditors and accruals	<b>211,321</b>	243,042	-
<b>Total supplier payables</b>	<b>211,321</b>	243,042	-
Settlement terms are usually within 30 days. All suppliers payable are expected to be settled within 12 months.			
<b>Note 4.3B: Personal Benefits</b>			
Direct	<b>6,056</b>	7,907	-
Indirect	<b>13,142</b>	32,693	-
State payments - refugee minors	<b>1,775</b>	1,787	-
<b>Total personal benefits</b>	<b>20,973</b>	42,387	-
Settlement terms are usually within 30 days. All personal benefits payable are expected to be settled within 12 months.			

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 4.4 ADMINISTERED – PROVISIONS

<b>Reconciliation of movements in other provisions</b>			
	<b>Bonds \$'000</b>	<b>Security deposits \$'000</b>	<b>Total \$'000</b>
<b>As at 1 July 2015</b>	<b>20,032</b>	<b>1,413</b>	<b>21,445</b>
Additional provisions made	<b>33,846</b>	<b>1,070</b>	<b>34,916</b>
Amounts used	<b>(1,249)</b>	-	<b>(1,249)</b>
Amounts reversed <sup>1</sup>	<b>(44,953)</b>	<b>(959)</b>	<b>(45,912)</b>
<b>Total as at 30 June 2016</b>	<b>7,676</b>	<b>1,524</b>	<b>9,200</b>
1. Amounts reversed relates to the refund of bonds and securities when they are no longer required (and the amount in question is not required to be forfeited).			
	<b>DIBP 2016 \$'000</b>	<b>DIBP 2015 \$'000</b>	<b>ACBPS 2015 \$'000</b>
<b>Provisions are expected to be settled</b>			
No more than 12 months	<b>5,585</b>	19,001	1,413
More than 12 months	<b>3,615</b>	1,031	-
<b>Total provisions</b>	<b>9,200</b>	20,032	1,413

### ACCOUNTING POLICY

#### Provision for Bonds

The Department collects and repays bonds on behalf of Government for the purposes of compliance with the provisions of the Migration Act and associated regulations. The Department collects three types of bonds, namely compliance bonds, visitor visa bonds and professional development visa securities. Receipts from these bonds are treated as liabilities until such time as they are either forfeited or refunded to customers. Revenue is only recognised at the point of forfeiture.

#### Provision for Security Deposits

The Department collects and repays bonds on behalf of Government for the purposes of compliance with the provisions of the *Customs Act*. 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 security deposits are treated as liabilities 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

This section identifies how the Department's funding is structured.

### 5.1 APPROPRIATIONS

#### Note 5.1.A: Annual appropriations (recoverable GST exclusive)

##### Annual appropriations for 2016

	Appropriation Act		PGPA Act		Total appropriation \$'000	Appropriation applied in 2016 (current and prior years) \$'000	Variance <sup>b</sup> \$'000
	Annual appropriation <sup>a</sup> \$'000	AFM \$'000	Section 74 receipts \$'000	Section 75 transfers \$'000			
<b>Departmental</b>							
Ordinary annual services	2,517,660	-	211,194	-	2,728,854	(2,764,700)	(35,846)
Capital Budget <sup>c</sup>	116,639	-	-	-	116,639	(119,278)	(2,639)
Other services							
Equity injections	226,857	-	-	-	226,857	(155,235)	71,622
<b>Total departmental</b>	<b>2,861,156</b>	<b>-</b>	<b>211,194</b>	<b>-</b>	<b>3,072,350</b>	<b>(3,039,213)</b>	<b>33,137</b>
<b>Administered</b>							
Ordinary annual services							
Administered items	2,396,702	-	-	-	2,396,702	(2,188,941)	207,761
Capital budget <sup>c</sup>	26,098	-	-	-	26,098	(18,382)	7,716
Other services							
Administered assets and liabilities	205,690	-	-	-	205,690	(136,402)	69,288
<b>Total administered</b>	<b>2,628,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,628,490</b>	<b>(2,343,725)</b>	<b>284,765</b>

- Appropriations as per Appropriation Acts (1 through 6) 2015-16. 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 2015-16 year are disclosed in the relevant column.
- 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.
- The Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Annual appropriations for 2015

	Appropriation Act		PGPA Act		Total appropriation \$'000	Appropriation applied in 2015 (current and prior years) \$'000	Variance \$'000
	Annual appropriation \$'000	AFM \$'000	Section 74 \$'000	Section 75 \$'000			
DIBP							
Departmental							
Ordinary annual services	1,437,151	-	127,507	-	1,564,658	(1,546,359)	18,299
Capital Budget	85,959	-	-	-	85,959	(91,497)	(5,538)
Other services							
Equity	10,970	-	-	-	10,970	(11,035)	(65)
Total departmental	1,534,080	-	127,507	-	1,661,587	(1,648,891)	12,696
Administered							
Ordinary annual services							
Administered items	2,716,294	-	-	-	2,716,294	(2,359,303)	356,991
Capital Budget	18,711	-	-	-	18,711	(8,916)	9,795
Other services							
Administered assets and liabilities	291,359	-	-	-	291,359	(340,043)	(48,684)
Total administered	3,026,364	-	-	-	3,026,364	(2,708,262)	318,102

- As per the Section 51 Determination dated 30 June 2015, the Department no longer had control of \$29.6m in departmental appropriation for ordinary annual services and \$1.8m in departmental equity appropriation. The figures relate to a measure announced at the 2014-15 Additional Estimates relating to illegal maritime arrivals, managing the legacy caseload in Australia (Programmes 3.4-3.6).
- As per the Section 51 Determination dated 6 June 2015 and 30 June 2015, the Department no longer had administered control of \$102.2m in administered appropriation for ordinary annual services and \$137.5m in appropriation for administered assets and liabilities. The figure relates to a number of measures including a reduction in capital funding originally provided for capital works on Manus (Lower Paradise facility).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Annual appropriations for 2015

ACBPS	Appropriation Act		PGPA Act		Total appropriation \$'000	Appropriation applied in 2015 (current and prior years) \$'000	Variance \$'000
	Annual appropriation \$'000	AFM \$'000	Section 74 \$'000	Section 75 \$'000			
Departmental							
Ordinary annual services	1,044,551	-	80,169	-	1,124,720	(1,154,621)	(29,901)
Capital Budget	32,604	-	-	-	32,604	(40,839)	(8,235)
Other services							
Equity	152,979	-	-	-	152,979	(123,993)	28,986
Total departmental	1,230,134	-	80,169	-	1,310,303	(1,319,453)	(9,150)
Administered							
Ordinary annual services							
Administered items	934	-	-	-	934	(934)	-
Total administered	934	-	-	-	934	(934)	-

- As per the Section 51 Determination dated 30 June 2015, the former ACBPS no longer had control of \$10.5m in departmental appropriation for ordinary annual services and \$0.397m in departmental equity appropriation.
- All appropriation receivable by ACBPS as at 30 June 2015 was transferred to the Department via Section 75 Determinations which were processed in 2015-16.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 5.1B: Unspent annual appropriations (recoverable GST exclusive)

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Departmental</b>			
2012–13 Appropriation Act 1 <sup>a</sup>	522	522	-
2012–13 Approp (Expert Panel Report on Asylum Seekers) Act (No. 2) <sup>b</sup>	600	600	-
2012–13 Appropriation Act 2	-	4,678	-
2013–14 Appropriation Act 1 <sup>c</sup>	257	68	-
2013–14 Appropriation Act 2 <sup>d</sup>	3,315	10,485	3,315
2013–14 Appropriation Act 4 <sup>e</sup>	550	15,212	-
2014–15 Appropriation Act 1 - Cash at Bank	-	1,716	4,830
2014–15 Appropriation Act 1 <sup>f</sup>	10,538	285,585	48,066
2014–15 Appropriation Act 2 <sup>g</sup>	14,287	3,128	12,912
2014–15 Appropriation Act 3 <sup>h</sup>	3,275	19,587	63,803
2014–15 Appropriation Act 4 <sup>i</sup>	21,972	7,843	16,074
2015–16 Appropriation Act 1 - Cash at Bank	3,409		
2015–16 Appropriation Act 1 <sup>k</sup>	295,739	-	-
2015–16 Appropriation Act 2 <sup>l</sup>	104,747	-	-
2015–16 Appropriation Act 3	63,985	-	-
<b>Total departmental</b>	<b>523,195</b>	<b>349,424</b>	<b>149,000</b>
<b>Administered</b>			
2012–13 Appropriation Act 1 <sup>a</sup>	2,700	2,700	-
2013–14 Appropriation Act 1	10,036	10,036	-
2013–14 Appropriation Act 3	87	87	-
2013–14 Appropriation Act 4 <sup>e</sup>	126,311	143,311	-
2014–15 Appropriation Act 1 <sup>f</sup>	347,217	566,585	-
2014–15 Appropriation Act 1 - Cash at Bank	-	9,312	
2014–15 Appropriation Act 2 <sup>g</sup>	137,500	142,065	-
2014–15 Appropriation Act 3 <sup>h</sup>	24,226	24,226	-
2014–15 Appropriation Act 5 <sup>j</sup>	172,582	172,582	-
2015–16 Appropriation Act 1 <sup>k</sup>	342,750	-	-
2015–16 Appropriation Act 1 - Cash at Bank	9,461	-	-
2015–16 Appropriation Act 2 <sup>l</sup>	28,853	-	-
2015–16 Appropriation Act 3 <sup>m</sup>	92,094	-	-
2015–16 Appropriation Act 4 <sup>n</sup>	62,000	-	-
<b>Total administered</b>	<b>1,355,817</b>	<b>1,070,904</b>	<b>-</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

These balances 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.

- a. 2012-13 Appropriation Act 1: Departmental: \$0.522m (DIBP 2014-15: nil, ACBPS 2014-15: nil); Administered: \$2.700m (DIBP 2014-15: \$2.700m, ACBPS 2014-15: nil).
- b. 2012-13 Approp (Expert Panel Report on Asylum Seekers) Act (No. 2): Departmental: \$0.600m (DIBP 2014-15: nil, ACBPS 2014-15: nil).
- c. 2013-14 Appropriation Act 1: Departmental: \$0.257m (DIBP 2014-15: nil, ACBPS 2014-15: nil).
- d. 2013-14 Appropriation Act 2: Departmental: \$3.315m (DIBP 2014-15: nil, ACBPS 2014-15: \$3.315m).
- e. 2013-14 Appropriation Act 4: Departmental: \$0.550m (DIBP 2014-15: nil, ACBPS 2014-15: nil); Administered: \$62.000m (DIBP 2014-15: \$126.311m, ACBPS 2014-15: nil).
- f. 2014-15 Appropriation Act 1: Departmental: \$10.538m (DIBP 2014-15: nil, ACBPS 2014-15: \$10.538); Administered: \$341.996m (DIBP 2014-15: \$88.565m, ACBPS 2014-15: nil).
- g. 2014-15 Appropriation Act 2: Departmental: \$5.662m (DIBP 2014-15: \$1.772m, ACBPS 2014-15: \$0.397m); Administered: \$96.500m (DIBP 2014-15: \$137.500m, ACBPS 2014-15: nil).
- h. 2014-15 Appropriation Act 3: Departmental: \$3.275m (DIBP 2014-15: nil, ACBPS 2014-15: nil); Administered: \$24.226m (DIBP 2014-15: \$13.685m, ACBPS 2014-15: nil).
- i. 2014-15 Appropriation Act 4: Departmental: \$6.154m (DIBP 2014-15: nil, ACBPS 2014-15: nil).
- j. 2014-15 Appropriation Act 5: Administered: \$155.143m (DIBP 2014-15: nil, ACBPS 2014-15: nil).
- k. 2015-16 Appropriation Act 1: Departmental: \$0.811m (DIBP 2014-15: nil, ACBPS 2014-15: nil); Administered: \$197.865m (DIBP 2014-15: nil, ACBPS 2014-15: nil).
- l. 2015-16 Appropriation Act 2: Departmental: \$14.639m (DIBP 2014-15: nil, ACBPS 2014-15: nil); Administered: \$7.112m (DIBP 2014-15: nil, ACBPS 2014-15: nil).
- m. 2015-16 Appropriation Act 3: Administered: \$12.251m (DIBP 2014-15: nil, ACBPS 2014-15: nil).
- n. 2015-16 Appropriation Act 4: Administered: \$58.228m (DIBP 2014-15: nil, ACBPS 2014-15: nil).

### Note 5.1C: Special Appropriations (Recoverable GST exclusive)

Authority	Type	Purpose	Appropriation applied		
			DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<i>Financial Management and Accountability Act 1997-s. 28 a&amp;c</i>	Unlimited account	Repayments required or permitted by law	-	-	80,563
<i>Public Governance, Performance and Accountability Act 2013-s. 77</i>	Unlimited account	Repayments required or permitted by law	<b>517,776</b>	61,138	300,171
<i>Taxation Administration Act 1953-s.16</i>	Refund	Refund of receipts to individuals under the tourist refund scheme	<b>192,695</b>	-	165,734
<b>Total</b>			<b>710,471</b>	61,138	546,468

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

	DIBP Department of Social Services <sup>a</sup>	DIBP Australian Taxation Office <sup>b</sup>
<b>2016</b>	<b>\$'000</b>	<b>\$'000</b>
Total receipts	2,130	192,695
Total payments	(2,130)	(192,695)

	DIBP Department of Social Services	ACBPS Australian Taxation Office
2015	\$'000	\$'000
Total receipts	1,955	165,734
Total payments	(1,955)	(165,734)

- a. The Department made wage supplementation payments from the Social and Community Services Pay Equity Special Account administered by the DSS to eligible social and community services workers.
- b. The Department administers the Tourist Refund Scheme (TRS) on behalf of the 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 5.2 COMPLIANCE WITH 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.

During 2015–16, 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 2015–16 identified 248 (DIBP 2014–15: nil, ACBPS 2014–15: 270) breaches, totalling approximately \$1,864,813 (DIBP 2014–15: nil, ACBPS 2014–15: \$4,011,000) in relation to payments made under Section 77 of the PGPA Act. As at 30 June 2016 \$1,856,884 (DIBP 2014–15: nil, ACBPS 2014–15: \$3,726,000) of these amounts had been recovered or offset. The Department expects to recover or offset the remaining balance. A legislative change to exclude refunds paid due to a wrongful self-assessment of Customs Duty from being a breach of Section 83 is waiting to be tabled in Parliament.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 5.3 SPECIAL ACCOUNTS (RECOVERABLE GST EXCLUSIVE)

<b>Australian Population Multicultural and Immigration Research Program (APMIRP)</b>			
<b>Special Account (administered)</b>			
	<b>DIBP 2016 \$'000</b>	<b>DIBP 2015 \$'000</b>	<b>ACBPS 2015 \$'000</b>
<b>Balance brought forward from previous period</b>	<b>54</b>	54	-
<b>Increases</b>			
<b>Total increases</b>	-	-	-
<b>Available for payments</b>	<b>54</b>	54	-
<b>Decreases</b>			
<b>Departmental</b>			
<b>Total departmental decreases</b>	-	-	-
<b>Administered</b>			
<b>Total administered decreases</b>	<b>54</b>	-	-
<b>Total decreases</b>	<b>54</b>	-	-
<b>Total balance carried to the next period</b>	-	54	-

#### **Australian population multicultural and immigration research program (APMIRP) special account**

APMIRP was established under Financial Management and Accountability Determination 2006/38 for the following purpose:

- (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

	<b>DIBP</b>	DIBP	ACBPS
	<b>2016</b>	2015	2015
	<b>\$'000</b>	\$'000	\$'000
<b>Amounts applied</b>			
Departmental			
Annual appropriations <sup>a</sup>	<b>421,727</b>	-	303,527
Own source revenue	-	-	-
<b>Total amounts applied</b>	<b>421,727</b>	-	303,527
<b>Expenses</b>			
Departmental	<b>466,455</b>	-	341,285
Administered	-	-	-
<b>Total expenses</b>	<b>466,455</b>	-	341,285
<b>Revenue</b>			
Departmental <sup>b</sup>	<b>816</b>	-	1,121
Administered	<b>418,662</b>	-	355,560
<b>Total revenue</b>	<b>419,478</b>	-	356,681
<b>Amounts written off</b>			
Departmental	-	-	6
Administered	<b>7</b>	-	10
<b>Total amounts written off</b>	<b>7</b>	-	16

#### Regulatory charging activities:

- 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.
- Charges collected under the IPC as section 74 revenue.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### **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. Costs recovered in relation to citizenship totalled \$41.248m (2014-15: nil). Expenses totalled \$56.720m (2014-15: nil).

Import Processing Charges (IPC) recover the costs of the Department's cargo and trade related activities. IPC 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 from the IPC are administered in nature, however government agreed that some charges of the IPC be collected as departmental revenue. Costs recovered in relation to IPC totalled \$378.230m (2014-15: \$356.681m). Expenses totalled \$409.735m (2014-15: \$341.285m).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 5.5 NET CASH APPROPRIATION ARRANGEMENTS

	<b>DIBP 2016 \$'000</b>	DIBP 2015 \$'000	ACBPS 2015 \$'000
Deficit attributable to the Australian Government less depreciation/amortisation expenses previously funded through revenue appropriation	<b>(21,729)</b>	24,562	83,994
Change in asset revaluation surplus	<b>(3,569)</b>	31,647	6,877
<b>Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriation</b>	<b>(25,298)</b>	56,209	90,871
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<b>(277,511)</b>	(109,852)	(120,566)
<b>Total comprehensive loss as per the Statement of Comprehensive Income</b>	<b>(302,809)</b>	(53,643)	(29,695)

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. DIBP is fully funded for capital expenditure through the DCB arrangements, except for major asset purchases/replacements funded as equity injections through Appropriation Acts (No. 2/4/6).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 5.6 CASH FLOW RECONCILIATION

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement</b>			
<b>Cash and cash equivalents as per</b>			
Cash Flow Statement	3,409	1,716	4,830
Statement of Financial Position	3,409	1,716	4,830
<b>Discrepancy</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from/(used by) operating activities</b>			
Net cost of services	(2,794,169)	(1,459,126)	(1,070,585)
Revenue from Government	2,494,929	1,373,836	1,034,013
<b>Adjustments for non-cash items</b>			
Other gains – CCTV	(2,904)	-	(3,868)
Other – Ocean Shield vessel	-	-	(98,900)
Depreciation/amortisation	277,511	109,852	120,566
Net writedown of non-financial assets	6,942	2,990	1,618
Losses from sale of assets	2	31	30
Gain on disposal of assets	(50)	(37)	(6)
Other	(4)	-	426
<b>Movements in assets and liabilities</b>			
<b>Assets</b>			
(Increase)/decrease in net receivables	50,219	51,121	35,909
(Increase)/decrease in inventories	(11,094)	-	(6,192)
(Increase)/decrease in accrued revenues	39,900	(35,100)	-
(Increase)/decrease in prepayments	(2,543)	448	(4,688)
(Increase)/decrease in other financial assets	(343)	42	-
<b>Liabilities</b>			
Increase/(decrease) in unearned income	-	(21,587)	-
Increase/(decrease) in employee provisions	23,965	5,533	945
Increase/(decrease) in supplier payables	24,074	(12,646)	(4,048)
Increase/(decrease) in other provisions	(528)	(21,805)	(8,257)
Increase/(decrease) in other payable	(57,218)	4,040	2,890
<b>Net cash from operating activities</b>	<u>48,689</u>	<u>(2,408)</u>	<u>(147)</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 5.7 ADMINISTERED - CASH FLOW RECONCILIATION

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities and administered cash flow statement</b>			
<b>Cash and cash equivalents as per</b>			
Administered cash flow statement	45,609	21,259	2,667
Administered schedule of assets and liabilities	45,609	21,259	2,667
<b>Discrepancy</b>	-	-	-
<b>Reconciliation of net cost of services to net cash from/(used by) operating activities</b>			
Net cost of services	15,018,034	(652,149)	12,119,315
Refunds of duty and taxes transferred to other entities	(212,260)	-	(183,661)
<b>Adjustments for non-cash items</b>			
Depreciation/amortisation	125,337	94,073	-
Losses from sale of assets	20	3,946	-
Net write-down of non-financial assets	1,261	77,561	-
Gains from sale of assets	(703)	-	-
Reversal of previous asset write-down	-	(378)	-
Other	21	-	(49)
<b>Movements in assets and liabilities</b>			
<b>Assets</b>			
(Increase)/decrease in taxation receivables	(54,614)	-	(29,267)
(Increase)/decrease in non-taxation receivables	1,259	8,975	(1,664)
(Increase)/decrease in accrued revenues	(4,105)	5,405	-
(Increase)/decrease in prepayments	(565)	103,238	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	<b>DIBP</b>	DIBP	ACBPS
	<b>2016</b>	2015	2015
	<b>\$'000</b>	\$'000	\$'000
<b>Liabilities</b>			
Increase/(decrease) in supplier payables <sup>a</sup>	<b>(31,721)</b>	(107,300)	-
Increase/(decrease) in personal benefits payable <sup>a</sup>	<b>(21,414)</b>	(15,735)	-
Increase/(decrease) in unearned income	<b>29,070</b>	-	602
Increase/(decrease) in other payables	<b>2,310</b>	(25)	(2,990)
Increase/(decrease) in security deposits	<b>111</b>	-	(833)
Increase/(decrease) in bonds	<b>(12,356)</b>	1,247	-
<b>Net cash used by operating activities</b>	<b>14,839,685</b>	(481,142)	11,901,453

- a. The classification of payments as direct or indirect personal benefits have been reviewed against the principles contained in the ABS GFS Manual, which has resulted in a reclassification of the 2014–15 comparative figure (DIBP 2014–15: \$21m decrease from suppliers payable to personal benefits payable).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 6. PEOPLE

This section describes a range of employment and post-employment benefits provided to our people.

### 6.1 EMPLOYEE PROVISIONS

	<b>DIBP 2016 \$'000</b>	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 6.1A: Employee provisions</b>			
Leave	<b>415,305</b>	228,271	164,647
Other	<b>2,421</b>	843	-
<b>Total employee provisions</b>	<b>417,726</b>	229,114	164,647
<b>Employee provisions expected to be settled</b>			
No more than 12 months	<b>108,910</b>	64,949	45,117
More than 12 months	<b>308,816</b>	164,165	119,530
<b>Total employee provisions</b>	<b>417,726</b>	229,114	164,647

### Average staffing levels

The 2015-16 average staffing level for the Department was 13,832 (DIBP 2014-15: 8,825, ACBPS 2014-15: 4,903).

#### **Accounting Policy**

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

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

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for personal leave as all personal leave is non-vesting and the average personal leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for personal leave.

#### Locally engaged employees at post

Locally engaged employees (LEE) are covered by individual employment contracts which are negotiated between the employee and the Department of Foreign Affairs and Trade (DFAT) on behalf of the Department. These contracts are negotiated at post level in order to ensure compliance with local labour laws and regulations.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The individual contracts are supported and expanded upon by the Department's LEE Conditions of Service Handbook which is specific to each post. Where there is conflict between the two documents the individual contract takes precedence. Provisions for employee entitlements including unfunded liabilities are recognised in accordance with the conditions of service at each post.

LEE conditions at some posts include separation payments, for any cessation of employment, based on years of service. The provisions recognised for these entitlements do not represent termination payments.

### Separation and redundancy

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

### Superannuation

The Department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or non-government superannuation funds where employees have exercised choice.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and all non-government funds are accounted for as defined contribution schemes by the Department.

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 employees' 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 30 June represents outstanding contributions for the final fortnight of the financial year.

### **Key Judgements and Estimates**

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.

The liability for long service leave has been determined by reference to the work of the Australian Government Actuary as at 23 May 2016. 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 SENIOR MANAGEMENT PERSONNEL REMUNERATION

	DIBP 2016	DIBP 2015	ACBPS 2015
<b>Short-term employee benefits</b>			
Salary	27,618,836	17,929,783	8,044,586
Motor vehicle and other allowances	5,288,149	3,516,109	889,022
Other benefits	2,148,981	851,203	277,827
<b>Total short-term employee benefits</b>	<b>35,055,966</b>	<b>22,297,095</b>	<b>9,211,435</b>
<b>Post-employment benefits</b>			
Superannuation	5,572,202	3,849,954	1,436,917
<b>Total post-employment benefits</b>	<b>5,572,202</b>	<b>3,849,954</b>	<b>1,436,917</b>
<b>Other long-term benefits</b>			
Annual leave accrued	2,708,526	2,413,669	652,064
Long service leave	1,520,267	2,248,366	212,899
<b>Total other long-term benefits</b>	<b>4,228,793</b>	<b>4,662,035</b>	<b>864,963</b>
<b>Termination benefits</b>			
Voluntary redundancy payments	2,502,689	480,448	1,196,901
<b>Total termination benefits</b>	<b>2,502,689</b>	<b>480,448</b>	<b>1,196,901</b>
<b>Total senior executive remuneration expenses</b>	<b>47,359,650</b>	<b>31,289,532</b>	<b>12,710,216</b>

Note 6.2 includes senior managers who acted at the senior executive level for a continuous period of six months or more.

The number of senior managers directly remunerated by the department that are included in the above table is 200 (2015: DIBP 143, ACBPS 56).

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 senior managers directly remunerated during 2016 was 148.70 (2015: 97.72 DIBP, 40.11 ACBPS).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 7. MANAGING UNCERTAINTIES

This section analyses how the Department manages financial risks within its operating environment.

### 7.1 CONTINGENT ASSETS AND LIABILITIES

	Indemnities			Claims for damages or costs			Total		
	DIBP	DIBP	ACBPS	DIBP	DIBP	ACBPS	DIBP	DIBP	ACBPS
	2016	2015	2015	2016	2015	2015	2016	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contingent liabilities</b>									
Balance from previous period	292	948	-	287	291	-	579	1,239	-
New contingent liabilities recognised	-	-	-	-	-	-	-	-	-
Re-measurement	-	(6)	-	-	10	-	-	4	-
Liabilities realised	-	-	-	(100)	(14)	-	(100)	(14)	-
Obligations expired	(292)	(650)	-	(187)	-	-	(479)	(650)	-
<b>Net contingent liabilities</b>	-	292	-	-	287	-	-	579	-

As at 30 June 2016 the department had no quantifiable contingent assets or guarantees (2015: nil).

#### Unquantifiable contingencies

As at 30 June 2016 the Department had a number of legal claims lodged against it for damages and costs. The Department has denied liability and is defending the claims. In addition, the Department has lodged a number of claims to recover costs which are being pursued. It is not possible to estimate the amount of any eventual payments or receipts in relation to these claims.

The scheme for Compensation for Detriment caused by Defective Administration (CDDA) provides for compensation to persons who have been adversely affected by the maladministration of agencies, but who have no legal means to seek redress, such as a legal claim. As at 30 June 2016, the Department is investigating these claims.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### **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

	Guarantees			Claims for damages or costs			Total		
	DIBP	DIBP	ACBPS	DIBP	DIBP	ACBPS	DIBP	DIBP	ACBPS
	2016	2015	2015	2015	2016	2015	2016	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contingent assets</b>									
Balance from previous period	-	-	-	19,809	-	-	-	19,809	-
New contingent assets recognised	-	-	-	-	-	-	-	-	-
Re-measurement	-	-	-	31	-	-	-	31	-
Assets recognised	-	-	-	(9,593)	-	-	-	(9,593)	-
Expired	-	-	-	(10,247)	-	-	-	(10,247)	-
<b>Total contingent assets</b>	-	-	-	-	-	-	-	-	-
<b>Contingent liabilities</b>									
Balance from previous period	-	2,044	-	1,860	1,860	-	1,860	3,904	-
New contingent liabilities recognised	-	-	-	-	700	-	700	-	-
Re-measurement	-	-	-	-	-	-	-	-	-
Liabilities recognised	-	-	-	(636)	(636)	-	(636)	-	-
Obligations expired	-	(2,044)	-	(1,224)	(1,224)	-	(1,224)	(2,044)	-
<b>Total contingent liabilities</b>	-	-	-	700	700	-	700	1,860	-
<b>Net contingent assets/(liabilities)</b>	-	-	-	(1,860)	(700)	-	(700)	(1,860)	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### **Quantifiable contingencies**

The above table reports \$0.700 million net contingent liabilities in respect of guarantees and claims for damages or costs (2015: \$1.860 million).

The Department's insurer (Comcover) is notified of all claims for compensation as required by the terms of our insurance coverage.

### **Unquantifiable contingencies**

As at 30 June 2016 the Department had a number of legal claims against it. The Department has responded to these claims in accordance with its obligations as a model litigant under the Attorney-General's Legal Services Directions. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

As at 30 June 2016 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 a 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 provision 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 Countries contract - liability limit

The Department entered into a contract with Broadspectrum Limited (BRS), formerly known as Transfield Services Ltd, which commenced on 24 March 2014, for the provision of garrison and welfare services at Regional Processing Countries on behalf of the Australian Government. The contract terms limit BRS' 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

	<b>DIBP 2016 \$'000</b>	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b><u>Note 7.3A: Categories of financial instruments</u></b>			
<b>Financial assets</b>			
<b>Loans and receivables</b>			
Cash and cash equivalents	3,409	1,716	4,830
Trade and other receivables	<u>22,243</u>	<u>13,473</u>	<u>4,987</u>
<b>Total loans and receivables</b>	<b><u>25,652</u></b>	<b><u>15,189</u></b>	<b><u>9,817</u></b>
<b>Total financial assets</b>	<b><u>25,652</u></b>	<b><u>15,189</u></b>	<b><u>9,817</u></b>
<b>Financial liabilities</b>			
<b>Financial liabilities measured at amortised cost</b>			
Finance leases	-	389	-
Suppliers payable	264,222	134,639	105,509
Other payables	<u>-</u>	<u>996</u>	<u>2,373</u>
<b>Total financial liabilities measured at amortised cost</b>	<b><u>264,222</u></b>	<b><u>136,024</u></b>	<b><u>107,882</u></b>
<b>Total financial liabilities</b>	<b><u>264,222</u></b>	<b><u>136,024</u></b>	<b><u>107,882</u></b>

The net fair values of the financial assets and liabilities are at their carrying amounts. The Department derived no interest income from financial assets in either the current or prior year.

#### **Note 7.3B: Credit risk**

The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables of \$41.776m in 2015–16 (DIBP 2014–15: \$28.927m, ACBPS 2014–15: \$6.378m). The Department has assessed the risk of the default on payment and has allocated \$19.533 million in 2015–16 (DIBP 2014–15: \$15.454m, ACBPS 2014–15: \$1.391m) to an impairment allowance account. The Department holds no collateral to mitigate credit risk. Note 3.1B provides ageing of gross receivables past due and an analysis of impaired receivables. The Department has no derivative financial liabilities in either 2015–16 or 2014–15.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### **Note 7.3C: Liquidity risk**

The Department's financial liabilities are trade creditors and finance leases. The exposure to liquidity risk is based on the notion that the Department may encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Department (for example, advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet the Department's financial obligations. The maturities for non-derivative financial liabilities are less than two years in both the current and prior year.

### **Note 7.3D: Market risk**

The Department held basic financial instruments that did not expose the Department to material levels of certain market risks, such as currency risk and interest rate risk.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 7.4 ADMINISTERED – FINANCIAL INSTRUMENTS

	<b>DIBP 2016 \$'000</b>	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Note 7.4A: Categories of financial instruments</b>			
<b>Financial assets</b>			
<b>Loans and receivables</b>			
Cash and cash equivalents	45,609	21,259	2,667
Non-taxation receivables	280	996	
<b>Total loans and receivables</b>	<b>45,889</b>	<b>22,255</b>	<b>2,667</b>
<b>Financial liabilities</b>			
<b>Financial liabilities measured at amortised cost</b>			
Suppliers payable	211,321	243,042	-
<b>Total financial liabilities measured at amortised cost</b>	<b>211,321</b>	<b>243,042</b>	<b>-</b>

The net fair values of the financial assets and liabilities are at their carrying amounts. The Department derived no interest income from financial assets in either the current or prior year.

### **Note 7.4B: Credit risk**

The maximum exposure to credit risk is the risk that arises from potential default of a debtor.

This amount is equal to the total amount of goods and services receivable of \$0.280 million in 2015–16 (DIBP 2014–15: \$4.498 million; ACBPS 2014–15: nil). The Department has assessed the risk of the default on payment and has allocated nil in 2015–16 (DIBP 2014–15: \$3.502 million; ACBPS 2014–15: nil) towards an allowance for the impairments of these receivables.

The Department holds no collateral to mitigate credit risk.

Note 4.1 provides ageing of gross receivables past due and an analysis of impaired receivables.

### **Note 7.4C: Liquidity risk**

The Department's financial liabilities are trade creditors, operating lease rentals and personal benefits payable. The exposure to liquidity risk is based on the notion that the Department may encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Department (for example advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet the Department's financial obligations.

The maturities for non-derivative financial liabilities are within one year in both the current and prior year.

### **Note 7.4D: Market risk**

The Department held basic financial instruments that did not expose the entity to material levels of certain market risks, such as 'currency risk' and 'interest rate risk'.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 7.5 FAIR VALUE MEASUREMENT

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Department can access at measurement date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

#### Accounting Policy

The Department engaged the service of Australian Valuation Solutions (AVS) to conduct an asset materiality review of all non-financial assets at 30 June 2016 and has relied upon those outcomes to establish carrying amounts. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive valuations carried out at least once every three years with the last full revaluation undertaken by AVS as at 30 June 2015. AVS has provided written assurance to the Department that the models developed are in compliance with AASB 13.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

Physical Depreciation and Obsolescence. Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the Depreciated Replacement Cost approach. Under the Depreciated Replacement Cost approach the estimated cost to replace the asset is calculated and then adjusted to take into physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all Leasehold Improvement assets, the consumed economic benefit/asset obsolescence deduction is determined based on the term of the associated lease.

The Department's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 7.5A: Fair value measurements, valuation techniques and inputs used**

		Fair value measurements at the end of the reporting period				
	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000	Category (Level 1, 2 or 3) <sup>c,d</sup>	Valuation technique(s) and inputs used	
<b>Non-financial assets<sup>b</sup></b>						
Land and buildings <sup>b</sup>	48,131	-	46,540	2	Market approach	Recent market transactions involving identical or comparable assets
Land and buildings <sup>b</sup>	11,441	660	9,935	3	Market approach	Professional judgement and available market information
Land and buildings <sup>b</sup>	9,724	-	10,560	3	Depreciated replacement cost (DRC)	Current prices for substitute assets
Leasehold improvements <sup>a</sup>	1,266	1,565	-	2	Market approach	Recent market transactions involving identical or comparable assets
Leasehold improvements <sup>a</sup>	98,370	66,591	55,071	3	Depreciated replacement cost (DRC)	Prices relevant to location
Vessels <sup>a</sup>	2,014	-	1,849	2	Market approach	Recent market transactions involving identical or comparable assets
Vessels <sup>a</sup>	108,818	-	105,279	3	Market approach	Professional judgement and available market information
Vessels <sup>a</sup>	281,520	-	242,071	3	Depreciated replacement cost (DRC)	Current prices for substitute assets
Plant and equipment <sup>a</sup>	36,602	11,724	18,571	2	Market approach	Recent market transactions involving identical or comparable assets
Plant and equipment <sup>a</sup>	1,709	343	-	3	Market approach	Professional judgement and available market information
Plant and equipment <sup>a</sup>	132,480	36,484	81,640	3	Depreciated replacement cost (DRC)	Current prices for substitute assets
Assets Under Construction - Leasehold improvements	10,161	-	-	2	Replacement Cost	Prices relevant to location
Assets Under Construction - Plant and Equipment	62,991	-	-	2	Replacement Cost	Prices relevant to location
<b>Total non-financial assets</b>	<b>805,227</b>	<b>117,367</b>	<b>571,516</b>			
<b>Total fair value measurements of assets in the statement of financial position</b>	<b>805,227</b>	<b>117,367</b>	<b>571,516</b>			

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Fair value measurements at the end of the reporting period

	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Assets not measured at fair value in the statement of financial position</b>			
Land and buildings	-	-	1,100
<b>Total assets not measured at fair value in the statement of financial position</b>	-	-	1,100

- No non-financial assets were measured at fair value on a non-recurring basis as at 30 June 2016 (DIBP 2014-15: nil, ACBPS 2014-15: \$1,100,000 Land & Building assets were classified as held for sale)
- The Department's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all non-financial assets is considered their highest and best use.
- There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.
- All finance leases previously included by ACBPS have been excluded from this note for 2015-16.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 7.5B: Reconciliation for recurring level 3 fair value measurements

	Non-financial assets													
	Land and buildings			Leasehold improvements			Vessels			Property, plant and equipment			Total	
	DIBP	ACBPS	DIBP	DIBP	ACBPS	DIBP	DIBP	ACBPS	DIBP	DIBP	ACBPS	DIBP		
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>As at 1 July</b>	<b>660</b>	<b>21,469</b>	<b>66,591</b>	<b>32,718</b>	<b>63,695</b>	-	-	<b>178,863</b>	<b>36,827</b>	<b>33,545</b>	<b>81,848</b>	<b>104,078</b>	<b>66,538</b>	<b>345,875</b>
Restructuring	20,495	-	55,071	-	-	347,350	-	-	81,640	-	-	504,556	-	-
Total gains/(losses) recognised in net cost of services <sup>a</sup>	(1,094)	(1,399)	(42,266)	(12,567)	(11,610)	(30,657)	-	(18,260)	(52,577)	(15,684)	(8,511)	(126,594)	(28,265)	(39,780)
Total gains/(losses) recognised in other comprehensive income <sup>b</sup>	-	(1)	-	28,883	-	(3,509)	-	-	-	5,302	-	(3,509)	34,184	-
Purchases	1,063	-	4,530	5,293	2,986	76,967	-	87,847	14,850	4,102	3,735	97,410	9,395	94,568
Sales	-	-	-	-	-	-	-	-	(1)	(76)	-	(1)	(76)	-
Resources received free of charge	-	-	-	-	-	-	-	98,900	2,904	-	3,868	2,904	-	102,768
Reclassifications	-	-	-	10	-	-	-	-	-	(10)	-	-	-	-
Transfers into level 3 <sup>c</sup>	41	400	14,444	15,679	-	187	-	-	52,355	18,877	929	67,027	34,956	1,354
Transfers out of level 3 <sup>d</sup>	-	-	-	(3,425)	-	-	-	-	(1,809)	(9,229)	(229)	(1,809)	(12,654)	(229)
<b>Total as at 30 June</b>	<b>21,165</b>	<b>20,495</b>	<b>98,370</b>	<b>66,591</b>	<b>55,071</b>	<b>390,338</b>	-	<b>347,350</b>	<b>134,189</b>	<b>36,827</b>	<b>81,640</b>	<b>644,062</b>	<b>104,078</b>	<b>504,556</b>

a. These gains/(losses) are presented in the Statement of Comprehensive Income under depreciation and amortisation expense, write down and impairment of assets.

b. These gains/(losses) are presented in the Statement of Comprehensive Income under other changes in asset revaluation reserve.

c. There have been transfers of assets into level 3 during the year. This is due to a change in valuation technique from a market approach to a DRC approach due to these vessels being recommissioned.

d. There have been transfers of property, plant and equipment assets out of level 3 during the year. This is due to a change in valuation technique from a DRC approach to a market approach with the use of observable inputs.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 7.6 ADMINISTERED – FAIR VALUE MEASUREMENT

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Department can access at measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

### ACCOUNTING POLICY

The Department tests the procedures of the valuation model as an asset materiality review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The Department engaged Australian Valuation Solutions (AVS) to undertake materiality review of all Departmental Assets and confirm that the models developed comply with AASB 13.

There have been changes to the valuation techniques for assets controlled by the Department. In instances where sufficient observable inputs, such as market transactions of similar assets, were (not) identified at 30 June 2016, the valuation technique was changed from a DRC (Market) approach to a Market (DRC) approach.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7.6A: Fair value measurements, valuation techniques and inputs used

Fair value measurements at the end of the reporting period					
	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000	Category (Level 1, 2 or 3) <sup>b,c</sup>	Valuation technique(s) and inputs used
<b>Non-financial assets<sup>a</sup></b>					
<b>Recurring</b>					
Land and buildings	5,959	5,988	-	2	Market approach Recent market transactions involving identical or comparable assets
Land and buildings	45,680	43,053	-	3	Market approach Professional judgement and available market information
Land and buildings	942,729	690,933	-	3	Depreciated replacement cost (DRC) Current prices for substitute assets
Leasehold improvements	189,638	158,466	-	3	Depreciated replacement cost (DRC) Prices relevant to location
Plant and equipment	5,120	3,918	-	2	Market approach Recent market transactions involving identical or comparable assets
Plant and equipment	4,426	112	-	3	Market approach Professional judgement and available market information
Plant and equipment	159,215	157,738	-	3	Depreciated replacement cost (DRC) Current prices for substitute assets
Assets Under Construction - Buildings	156,435	-	-	2	Replacement cost Prices relevant to location
Assets Under Construction - Leasehold Improvements	952	-	-	2	Replacement cost Prices relevant to location
Assets Under Construction - Plant and Equipment	5,094	-	-	2	Replacement cost Prices relevant to location
<b>Total non-financial assets</b>	<b>1,515,248</b>	<b>1,060,208</b>	<b>-</b>		
<b>Assets not measured at fair value in the statement of financial position</b>					
Land and buildings held for sale	25,135	27,885	-		
<b>Total assets not measured at fair value in the statement of financial position</b>	<b>25,135</b>	<b>27,885</b>	<b>-</b>		

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- a. Two non-financial land & building assets in Port Hedland were measured on a non-recurring basis as at 30 June 2016 (2015: Three land and building assets in Port Hedland were reclassified as held for sale).
- b. The Department's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all non-financial assets is considered their highest and best use.
- c. There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 7.6B: Reconciliation for recurring level 3 fair value measurements

#### Recurring level 3 fair value measurements—reconciliation for assets

	Non-financial assets							
	Land and Buildings		Leasehold Improvements		Plant and equipment			Total
	DIBP 2016 \$'000	DIBP 2015 \$'000	DIBP 2016 \$'000	DIBP 2015 \$'000	DIBP 2016 \$'000	DIBP 2015 \$'000	DIBP 2016 \$'000	DIBP 2015 \$'000
<b>As at 1 July</b>	<b>733,985</b>	<b>658,838</b>	<b>158,466</b>	<b>137,198</b>	<b>157,848</b>	<b>153,096</b>	<b>1,050,299</b>	<b>949,132</b>
Total gains/(losses) recognised in net cost of services <sup>a</sup>	<b>(81,195)</b>	<b>(73,611)</b>	<b>(30,707)</b>	<b>(34,783)</b>	<b>(13,603)</b>	<b>(52,339)</b>	<b>(125,505)</b>	<b>(160,733)</b>
Total gains/(losses) recognised in other comprehensive income <sup>b</sup>	<b>(710)</b>	<b>(10,504)</b>	-	<b>(12,973)</b>	-	<b>(311)</b>	<b>(710)</b>	<b>(23,788)</b>
Purchases	<b>28,809</b>	<b>178,452</b>	-	<b>69,024</b>	<b>1,080</b>	<b>4,316</b>	<b>29,889</b>	<b>251,792</b>
Reclassifications	-	<b>(54,251)</b>	-	-	-	<b>54,251</b>	-	-
Sales	-	<b>(4,178)</b>	-	-	<b>(43)</b>	-	<b>(43)</b>	<b>(4,178)</b>
Transfers into level 3 <sup>c</sup>	<b>307,520</b>	<b>39,560</b>	<b>61,879</b>	-	<b>18,359</b>	<b>516</b>	<b>387,758</b>	<b>40,076</b>
Transfers out of level 3 <sup>d</sup>	-	<b>(321)</b>	-	-	-	<b>(1,681)</b>	-	<b>(2,002)</b>
<b>Total as at 30 June</b>	<b>988,409</b>	<b>733,985</b>	<b>189,638</b>	<b>158,466</b>	<b>163,641</b>	<b>157,948</b>	<b>1,341,688</b>	<b>1,050,299</b>

Changes in unrealised gains/(losses) recognised in net cost of services for assets held at the end of the reporting period<sup>e</sup>

- These gains/(losses) are presented in the Statement of Comprehensive Income under Depreciation and Amortisation and Write Down and Impairment of Assets.
- These gains/(losses) are presented in the Statement of Comprehensive Income under Other Changes in Asset Revaluation Reserves.
- There have been transfers of Bay Class Vessel assets into level 3 during the year. This is due to a change in valuation technique from a market approach to a DRC approach due to these vessels being recommissioned.
- There have been transfers of property, plant and equipment assets out of level 3 during the year. This is due to a change in valuation technique from a DRC approach to a market approach with the use of observable inputs.
- Due to the incorrect allocation of IPE and L&B assets in 2015, a number of assets have been reclassified this financial year.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 8. OTHER INFORMATION

This section provides other disclosures relevant to the Department's financial information environment for the year.

### 8.1 RESTRUCTURING

#### Consolidation of DIBP and ACBPS

In 2014, the Government announced that the Department and the Australian Customs and Border Protection Service would be merged into a single entity. From 1 July 2015, DIBP and ACBPS consolidated into a single new Department. The Australian Border Force (ABF) was established as the frontline operational arm within the new integrated Department. ACBPS was abolished as a statutory agency through the repeal of the *Customs Administration Act 1985*.

Policy, regulatory and corporate functions of the former DIBP and ACBPS have been integrated into the consolidated DIBP, with the ABF being responsible for operational and enforcement activities.

The impacts of this consolidation are evidenced throughout these financial statements and the accompanying Annual Report. For accounting purposes, this consolidation has been treated as if it occurred immediately after the 2015–16 financial year commenced. At that point, the balances being consolidated were the assets and liabilities controlled and managed by the respective entities, as no other transactions had yet occurred. Based on the Statements of Financial Position in the two 2014–15 financial statements, these can be summarised as follows:

#### Note 8.1A: Departmental restructuring

	DIBP Assumed \$'000	ACBPS Relinquished \$'000
<b>FUNCTIONS ASSUMED/RELINQUISHED</b>		
<b>Assets</b>		
Cash and cash equivalents	4,830	4,830
Trade and other receivables	143,650	143,650
Accrued revenue	2,363	2,363
Land	22,965	22,965
Buildings	44,070	44,070
Leasehold improvements	62,076	62,076
Vessels	349,207	349,207
Plant and equipment	165,132	165,132
Software	164,581	164,581
Inventories held for distribution	12,813	12,813
Other non-financial assets	20,143	20,143
<b>Total assets recognised/relinquished</b>	<b>991,830</b>	<b>991,830</b>
<b>Liabilities</b>		
Suppliers	105,509	105,509
Other payables	31,624	31,624
Employee provisions	164,647	164,647
Other provisions	16,455	16,455
<b>Total liabilities recognised/relinquished</b>	<b>318,235</b>	<b>318,235</b>
<b>Net assets recognised/relinquished</b>	<b>673,595</b>	<b>673,595</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 8.1B: Administered Restructuring

	DIBP Assumed \$'000	ACBPS Relinquished \$'000
<b>FUNCTIONS ASSUMED/RELINQUISHED</b>		
<b>Assets</b>		
Cash and cash equivalents	2,667	2,667
Taxation receivables	286,538	286,538
Non-taxation receivables	5,802	5,802
<b>Total assets recognised/relinquished</b>	<b>295,007</b>	<b>295,007</b>
<b>Liabilities</b>		
Unearned income	3,550	3,550
Other payables	2,410	2,410
Security deposits	1,413	1,413
<b>Total liabilities recognised/relinquished</b>	<b>7,373</b>	<b>7,373</b>
<b>Net assets recognised/relinquished</b>	<b>287,634</b>	<b>287,634</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 8.2 REPORTING OF OUTCOMES

The Department uses a program allocation model to determine the attribution of its shared items.

	Outcome 1		Outcome 2		Outcome 3		Total		Total	
	DIBP 2016 \$'000	DIBP 2015 \$'000								
<b>Expenses</b>										
Employees	951,677	474,652	436,552	56,591	62,771	311,371	1,451,000	842,614	563,404	563,404
Suppliers	835,421	318,206	352,037	30,105	40,795	273,521	1,228,253	621,832	570,770	570,770
Depreciation and amortisation	186,570	74,046	82,237	4,327	8,704	31,479	277,511	109,852	120,566	120,566
Other expense	16,623	10,499	7,996	953	4,764	3,081	29,383	14,533	3,243	3,243
<b>Total expenses</b>	<b>1,990,291</b>	<b>877,403</b>	<b>878,822</b>	<b>91,976</b>	<b>117,034</b>	<b>619,452</b>	<b>2,986,147</b>	<b>1,588,831</b>	<b>1,257,983</b>	<b>1,257,983</b>
<b>Own-source income</b>										
Sales of goods and services	14,271	55,032	43,583	1,784	51,621	842	109,475	57,658	70,025	70,025
Recovery of costs	4,888	18,937	30,604	1,624	203	16,929	35,695	37,490	2,097	2,097
Other	19,285	24,129	26,106	1,479	1,417	8,949	46,808	34,557	115,276	115,276
<b>Total own-source income</b>	<b>38,444</b>	<b>98,098</b>	<b>100,293</b>	<b>4,887</b>	<b>53,241</b>	<b>26,720</b>	<b>191,978</b>	<b>129,705</b>	<b>187,398</b>	<b>187,398</b>

As part of the consolidation of DIBP and ACBPS, the outcome and program schedule was restructured to ensure alignment between the new Department's role and purpose and the outcomes it delivers for government. Refer to the 2015-16 Portfolio Budget Statements for more detail on the transition map for each outcome.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Outcome 1		Outcome 2		Outcome 3		Outcome 3		Total		Total	
	DIBP 2016 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000	DIBP 2016 \$'000	DIBP 2015 \$'000	DIBP 2016 \$'000	DIBP 2015 \$'000	DIBP 2016 \$'000	DIBP 2016 \$'000	DIBP 2015 \$'000	DIBP 2015 \$'000	ACBPS 2015 \$'000
<b>Expenses</b>												
Suppliers expense	1,687,898	1,166	934	27,513	69,229	-	1,760,129	-	1,715,411	1,830,524	-	934
Depreciation and amortisation	125,337	-	-	-	-	-	94,073	-	125,337	94,073	-	-
Personal benefits	366,784	-	-	35,041	46,514	-	462,392	-	401,825	508,906	-	-
Grants and contributions	19,268	-	-	1,815	2,086	-	3,945	-	21,083	6,031	-	-
Write-down and impairment of assets	14,846	-	9,868	11,579	60	13,565	87,661	-	39,990	87,721	-	9,868
Other expenses	981	35	-	2,283	795	123	4,797	-	3,387	5,627	-	-
<b>Total expenses</b>	<b>2,215,114</b>	<b>1,201</b>	<b>10,802</b>	<b>78,231</b>	<b>118,684</b>	<b>13,688</b>	<b>2,412,997</b>	<b>2,307,033</b>	<b>2,532,882</b>	<b>2,532,882</b>	<b>10,802</b>	<b>10,802</b>
<b>Income</b>												
Customs duty	-	-	10,882,321	-	-	14,044,689	-	-	14,044,689	-	-	10,882,321
Other taxes	-	1,827,356	1,236,776	1,923,482	-	1,290,882	-	-	3,214,364	1,827,356	1,236,776	1,236,776
Immigration fees	-	40,318	-	41,943	-	-	-	-	41,943	40,318	-	-
Other revenue	3,096	3,712	4,429	15,341	-	2,924	8,724	-	21,361	12,436	4,429	4,429
Gains	858	-	6,591	1,852	-	-	623	-	2,710	623	-	6,591
<b>Total income</b>	<b>3,954</b>	<b>1,871,386</b>	<b>12,130,117</b>	<b>1,982,618</b>	<b>-</b>	<b>15,338,495</b>	<b>9,347</b>	<b>17,325,067</b>	<b>1,880,733</b>	<b>1,880,733</b>	<b>12,130,117</b>	<b>12,130,117</b>
<b>Net cost/ (contribution) of outcome delivery</b>	<b>4,163,007</b>	<b>(1,090,880)</b>	<b>(11,048,730)</b>	<b>(1,125,858)</b>	<b>205,773</b>	<b>(15,261,014)</b>	<b>2,996,382</b>	<b>(12,223,865)</b>	<b>2,111,275</b>	<b>(11,048,730)</b>	<b>(11,048,730)</b>	<b>(11,048,730)</b>

As part of the consolidation of DIBP and ACBPS, the outcome and program schedule was restructured to ensure alignment between the new Department's role and purpose and the outcomes it delivers for government. Refer to the 2015-16 Portfolio Budget Statements for more detail on the transition map for each outcome.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Outcome 1		Outcome 2		Outcome 3		Outcome 3		Total	
	DIBP 2016	DIBP 2015	DIBP 2016	DIBP 2015	DIBP 2016	DIBP 2015	DIBP 2016	DIBP 2015	DIBP 2016	DIBP 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>										
Cash and cash equivalents	2,272	4,830	1,003	99	134	669	3,409	1,716	4,830	
Trade and other receivables	332,853	209,582	151,172	21,601	34,400	142,316	518,425	373,499	143,650	
Other financial assets	2,510	38,412	1,058	1,287	123	1,186	3,691	40,885	2,363	
Non-financial assets	978,878	325,739	265,149	34,738	38,619	73,932	1,282,646	434,409	808,031	
Other non-financial assets	57,991	15,087	14,363	1,410	1,664	10,928	74,018	27,425	32,956	
<b>Total assets</b>	<b>1,374,504</b>	<b>589,768</b>	<b>432,745</b>	<b>59,135</b>	<b>74,940</b>	<b>229,031</b>	<b>1,882,189</b>	<b>877,934</b>	<b>991,830</b>	
<b>Liabilities</b>										
Suppliers	179,716	74,072	75,730	6,920	8,776	53,647	264,222	134,639	105,509	
Other payables	11,294	24,425	5,306	2,814	698	15,653	17,298	42,892	31,624	
Finance lease liability	-	251	-	22	-	116	-	389	-	
Employee provisions	273,977	129,062	125,678	15,388	18,071	84,664	417,726	229,114	164,647	
Other provisions	25,989	13,411	10,952	1,295	1,269	7,637	38,210	22,283	16,455	
<b>Total Liabilities</b>	<b>490,976</b>	<b>241,221</b>	<b>217,666</b>	<b>26,379</b>	<b>28,814</b>	<b>161,717</b>	<b>737,456</b>	<b>429,317</b>	<b>318,235</b>	
<b>Assets</b>										
Cash and cash equivalents	20,787	199	669	7,163	24,153	13,897	45,609	21,259	2,667	
Taxation receivables	-	-	4,210	-	336,942	-	341,152	-	286,538	
Non-taxation receivables	17,794	1,517	846	671	2,860	14,768	21,500	16,956	5,802	
Accrued revenue	-	11,620	15,725	-	-	-	15,725	11,620	-	
Land	47,598	-	-	-	-	45,198	47,598	45,198	-	
Buildings	1,103,205	-	-	-	-	1,109,237	1,103,205	1,109,237	-	
Leasehold improvements	190,590	-	-	-	-	161,129	190,590	161,129	-	
Plant and equipment	173,855	-	-	-	-	164,304	173,855	164,304	-	
Prepayments	1,226	-	-	-	-	661	1,226	661	-	
Assets held for sale	25,135	-	-	-	-	27,885	25,135	27,885	-	
<b>Total assets</b>	<b>1,580,190</b>	<b>13,336</b>	<b>21,450</b>	<b>7,834</b>	<b>363,955</b>	<b>1,537,079</b>	<b>1,965,595</b>	<b>1,558,249</b>	<b>295,007</b>	
<b>Liabilities</b>										
Suppliers	207,887	1,387	3,434	10,402	-	231,253	211,321	243,042	-	
Personal benefits	19,048	-	1,925	10,017	-	32,370	20,973	42,387	-	
Unearned income	-	339	29,732	-	3,227	-	32,959	339	3,550	
Other payables	59	21	1,382	-	3,300	-	4,741	21	2,410	
Security deposits	-	-	-	-	1,524	-	1,524	-	1,413	
Bonds	-	20,032	7,676	-	-	-	7,676	20,032	-	
<b>Total Liabilities</b>	<b>226,994</b>	<b>21,779</b>	<b>44,149</b>	<b>20,419</b>	<b>8,051</b>	<b>263,623</b>	<b>279,194</b>	<b>305,821</b>	<b>7,373</b>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 8.3 BUDGET VARIANCES COMMENTARY AND REPORTING

### Note 8.3A: Departmental budgetary reports

#### **Statement of Comprehensive Income**

For the period ended 30 June 2016

	Actual	Budget estimate	
		Original	Variance
	2016	2016	2016
	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	1,451,000	1,429,037	21,963
Suppliers	1,228,253	1,175,817	52,436
Depreciation and amortisation	277,511	230,563	46,948
Writedown and impairment of assets	15,716	5,385	10,331
Finance costs	1,447	-	1,447
Other expenses	12,220	3,796	8,424
<b>Total expenses</b>	<b>2,986,147</b>	<b>2,844,598</b>	<b>141,549</b>
<b>Own-source income</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	109,475	96,314	13,161
Recovery of costs	35,695	39,587	(3,892)
Electronic travel authority fees	17,022	-	17,022
Rental income	3,662	4,345	(683)
Software royalties	2,854	2,337	517
Other revenue	20,249	16,161	4,088
<b>Total own-source revenue</b>	<b>188,957</b>	<b>158,744</b>	<b>30,213</b>
<b>Gains</b>			
Other gains	3,021	1,616	1,405
<b>Total gains</b>	<b>3,021</b>	<b>1,616</b>	<b>1,405</b>
<b>Total own-source income</b>	<b>191,978</b>	<b>160,360</b>	<b>31,618</b>
<b>Net (cost of)/contribution by services</b>	<b>(2,794,169)</b>	<b>(2,684,238)</b>	<b>(109,931)</b>
Revenue from Government	2,494,929	2,453,675	41,254
<b>Surplus/(deficit) attributable to Government</b>	<b>(299,240)</b>	<b>(230,563)</b>	<b>(68,677)</b>
<b>Other comprehensive income</b>			
<b>Items not subject to subsequent reclassification to net cost of services</b>			
Asset revaluation surplus	(3,569)	-	(3,569)
<b>Total other comprehensive income</b>	<b>(3,569)</b>	<b>-</b>	<b>(3,569)</b>
<b>Total comprehensive income/(loss)</b>	<b>(302,809)</b>	<b>(230,563)</b>	<b>(72,246)</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Statement of Financial Position

As at 30 June 2016

	Actual	Budget estimate	
		Original	Variance
	2016	2016	2016
	\$'000	\$'000	\$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3,409	38,692	(35,283)
Trade and other receivables	518,425	571,085	(52,660)
Accrued revenue	2,010	5,778	(3,768)
Other financial assets	1,681	1,380	301
<b>Total financial assets</b>	<b>525,525</b>	<b>616,935</b>	<b>(91,410)</b>
<b>Non-financial assets</b>			
Land	24,291	28,507	(4,216)
Buildings	45,006	65,493	(20,487)
Leasehold improvements	109,798	120,493	(10,695)
Vessels	392,352	413,055	(20,703)
Plant and equipment	234,042	237,389	(3,347)
Software	477,157	421,404	55,753
Inventories held for distribution	23,907	7,062	16,845
Other non-financial assets	50,111	43,328	6,783
<b>Total non-financial assets</b>	<b>1,356,664</b>	<b>1,336,731</b>	<b>19,933</b>
<b>Total assets</b>	<b>1,882,189</b>	<b>1,953,666</b>	<b>(71,477)</b>
<b>Liabilities</b>			
<b>Payables</b>			
Suppliers	264,222	213,661	50,561
Other payables	17,298	52,553	(35,255)
<b>Total payables</b>	<b>281,520</b>	<b>266,214</b>	<b>15,306</b>
<b>Interest bearing liabilities</b>			
Finance leases	-	1,152	(1,152)
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>1,152</b>	<b>(1,152)</b>
<b>Provisions</b>			
Employee provisions	417,726	427,097	(9,371)
Other provisions	38,210	68,859	(30,649)
<b>Total provisions</b>	<b>455,936</b>	<b>495,956</b>	<b>(40,020)</b>
<b>Total liabilities</b>	<b>737,456</b>	<b>763,322</b>	<b>(25,866)</b>
<b>Net assets</b>	<b>1,144,733</b>	<b>1,190,344</b>	<b>(45,611)</b>
<b>Equity</b>			
Contributed equity	2,106,465	2,134,402	(27,937)
Reserves	241,702	206,749	34,953
Accumulated deficit	(1,203,434)	(1,150,807)	(52,627)
<b>Total equity</b>	<b>1,144,733</b>	<b>1,190,344</b>	<b>(45,611)</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Statement of Changes in Equity

For the period ended 30 June 2016

	Total Equity		
	Actual	Budget estimate	
		Original	Variance
	2016	2016	2016
	\$'000	\$'000	\$'000
<b>Opening balance</b>			
Balance carried forward from previous period	448,617	1,071,406	(622,789)
Adjustments to prior year's surplus/(deficit)	2,601	-	2,601
<b>Adjusted opening balance</b>	<b>451,218</b>	<b>1,071,406</b>	<b>(620,188)</b>
<b>Comprehensive income</b>			
Other comprehensive income	(3,569)	-	(3,569)
(Deficit) for the period	(299,240)	(232,899)	(66,341)
Other	-	6,733	(6,733)
<b>Total comprehensive income</b>	<b>(302,809)</b>	<b>(226,166)</b>	<b>(76,643)</b>
<b>Transactions with owners</b>			
<b>Distributions to owners</b>			
Returns of capital			
Return of contributed equity	(20,763)	-	(20,763)
<b>Contributions by owners</b>			
Equity injection—Appropriations	226,857	228,629	(1,772)
Departmental capital budget	116,639	116,639	-
Restructuring	673,595	-	673,595
Other movements	(4)	(164)	160
<b>Total transactions with owners</b>	<b>996,324</b>	<b>345,104</b>	<b>651,220</b>
<b>Closing balance attributable to the Australian Government</b>	<b>1,144,733</b>	<b>1,190,344</b>	<b>(45,611)</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Cash Flow Statement

For the period ended 30 June 2016

	Actual	Budget estimate	
		Original	Variance
	2016	2016	2016
	\$'000	\$'000	\$'000
<b>Operating activities</b>			
<b>Cash received</b>			
Goods and services	161,222	170,803	(9,581)
Appropriations	2,765,374	2,476,528	288,846
Net GST received	116,184	112,838	3,346
Other	50,187	58,893	(8,706)
<b>Total cash received</b>	<b>3,092,967</b>	<b>2,819,062</b>	<b>273,905</b>
<b>Cash used</b>			
Employees	1,509,782	1,491,094	18,688
Suppliers	1,310,906	1,325,003	(14,097)
Section 74 receipts transferred to the OPA	211,194	-	211,194
Other	12,396	2,965	9,431
<b>Total cash used</b>	<b>3,044,278</b>	<b>2,819,062</b>	<b>225,216</b>
<b>Net cash from/(used by) operating activities</b>	<b>48,689</b>	<b>-</b>	<b>48,689</b>
<b>Investing activities</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment	53	-	53
Total cash received	53	-	53
<b>Cash used</b>			
Purchase of land and buildings	2,172	50,529	(48,357)
Purchase of leasehold improvements	13,249	30,735	(17,486)
Purchase of vessels	77,087	76,046	1,041
Purchase of plant and equipment	69,888	75,564	(5,676)
Purchase of computer software	162,933	112,394	50,539
<b>Total cash used</b>	<b>325,329</b>	<b>345,268</b>	<b>(19,939)</b>
<b>Net cash from/(used by) investing activities</b>	<b>(325,276)</b>	<b>(345,268)</b>	<b>19,992</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Actual	Budget estimate	
	2016	Original	Variance
	2016	2016	2016
	\$'000	\$'000	\$'000
<b>Cash received</b>			
Contributed equity	273,839	345,268	(71,429)
Restructuring	4,830	-	4,830
<b>Total cash received</b>	<b>278,669</b>	<b>345,268</b>	<b>(66,599)</b>
<b>Cash used</b>			
Repayment of borrowings (finance leases)	389	-	389
<b>Total cash used</b>	<b>389</b>	<b>-</b>	<b>389</b>
<b>Net cash from/(used by) financing activities</b>	<b>278,280</b>	<b>345,268</b>	<b>(66,988)</b>
<b>Net increase/(decrease) in cash held</b>	<b>1,693</b>	<b>-</b>	<b>1,693</b>
Cash and cash equivalents at the beginning of the reporting period	1,716	38,692	(36,976)
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,409</b>	<b>38,692</b>	<b>(35,283)</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 8.3B: Administered budgetary reports

#### Administered Schedule of Comprehensive Income

For the period ended 30 June 2016

	Actual	Budget estimate	
		Original	Variance
	2016	2016	2016
	\$'000	\$'000	\$'000
<b>Net cost of services</b>			
<b>Income</b>			
<b>Revenue</b>			
<b>Taxation revenue</b>			
Customs duty	14,044,689	9,479,450	4,565,239
Other taxes	3,214,364	3,187,210	27,154
<b>Total taxation revenue</b>	<b>17,259,053</b>	<b>12,666,660</b>	<b>4,592,393</b>
<b>Non-taxation revenue</b>			
Immigration fees	41,943	41,961	(18)
Other revenue	21,361	22,774	(1,413)
<b>Total non-taxation revenue</b>	<b>63,304</b>	<b>64,735</b>	<b>(1,431)</b>
<b>Total revenue</b>	<b>17,322,357</b>	<b>12,731,395</b>	<b>4,590,962</b>
<b>Gains</b>			
Gains	2,710	-	2,710
<b>Total gains</b>	<b>2,710</b>	<b>-</b>	<b>2,710</b>
<b>Total income</b>	<b>17,325,067</b>	<b>12,731,395</b>	<b>4,593,672</b>
<b>Expenses</b>			
Suppliers	1,715,411	1,461,159	254,252
Personal benefits	401,825	551,790	(149,965)
Grants and contributions	21,083	7,616	13,467
Depreciation and amortisation	125,337	124,959	378
Writedown and impairment of assets	39,990	4,042	35,948
Other expenses	3,387	-	3,387
<b>Total expenses</b>	<b>2,307,033</b>	<b>2,149,566</b>	<b>157,467</b>
<b>Net cost of services</b>	<b>15,018,034</b>	<b>10,581,829</b>	<b>4,436,205</b>
<b>Surplus / (deficit)</b>	<b>15,018,034</b>	<b>10,581,829</b>	<b>4,436,205</b>
<b>Other comprehensive income</b>			
<b>Items not subject to subsequent reclassification to net cost of services</b>			
Administered revaluations taken to reserves	(1,060)	-	(1,060)
<b>Total other comprehensive income / (loss)</b>	<b>(1,060)</b>	<b>-</b>	<b>(1,060)</b>
<b>Total comprehensive income / (loss)</b>	<b>15,016,974</b>	<b>10,581,829</b>	<b>4,435,145</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Administered Schedule of Assets and Liabilities

As at 30 June 2016

	Actual	Budget estimate	
		Original	Variance
	2016	2016	2016
	\$'000	\$'000	\$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	45,609	40,449	5,160
Taxation receivables	341,152	260,290	80,862
Non-taxation receivables	21,500	37,641	(16,141)
Accrued revenue	15,725	17,024	(1,299)
<b>Total financial assets</b>	<b>423,986</b>	<b>355,404</b>	<b>68,582</b>
<b>Non-financial assets</b>			
Land	47,598	72,754	(25,156)
Buildings	1,103,205	1,551,555	(448,350)
Leasehold improvements	190,590	216,907	(26,317)
Plant and equipment	173,855	159,663	14,192
Prepayments	1,226	103,899	(102,673)
<b>Total non-financial assets</b>	<b>1,516,474</b>	<b>2,104,778</b>	<b>(588,304)</b>
Assets held for sale	25,135	-	25,135
<b>Total assets administered on behalf of Government</b>	<b>1,965,595</b>	<b>2,460,182</b>	<b>(494,587)</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	211,321	330,339	(119,018)
Personal benefits	20,973	45,648	(24,675)
Unearned income	32,959	33,646	(687)
Other payables	4,741	9,176	(4,435)
<b>Total payables</b>	<b>269,994</b>	<b>418,809</b>	<b>(148,815)</b>
<b>Provisions</b>			
Security deposits	1,524	2,246	(722)
Bonds	7,676	17,551	(9,875)
<b>Total provisions</b>	<b>9,200</b>	<b>19,797</b>	<b>(10,597)</b>
<b>Total liabilities administered on behalf of Government</b>	<b>279,194</b>	<b>438,606</b>	<b>(159,412)</b>
<b>Net assets/(liabilities)</b>	<b>1,686,401</b>	<b>2,021,576</b>	<b>(335,175)</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## EXPLANATION OF BUDGET VARIANCES

The following provides an explanation of the variance between the original budget as presented in the 2015–16 Portfolio Budget Statements (PBS) and the 2015-16 final actual result.

On 1 July 2015, DIBP and the ACBPS merged to create the new Department of Immigration and Border Protection (the Department). The alignment of budgeting and accounting policies of both organisations has, in some cases, contributed to the variance explained below. The budget figures as reported in the 2015–16 PBS have been restated to align with the presentation and classification adopted in the financial statements.

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:

- the 2015–16 estimated actual outcomes were published in the 2015-16 PBS in May before the closing 2014–15 and opening 2015–16 Statement of Financial Position was known. This predominantly impacts on items in the Statement of Financial Position in so much as closing balances for the year are impacted by the flow-on impacts of changes in their opening balance
- the original budget as presented in the 2015–16 PBS is varied by Government throughout the year. The Department's budget for 2015–16 was updated as part of the 2015–16 Portfolio Additional Estimates Statements (PAES) process and again as part of the 2016–17 PBS process where 'revised actuals' for 2015–16 are presented as comparatives for the 2016–17 budget figures. For the Department, the largest changes occurred against administered revenues and expenses.

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

The Budget is not audited.

## DEPARTMENTAL EXPENSES

The total variation between departmental expenses and the original budget estimate is an increase of \$142m (or 5%). Increases in expenses can be attributed to:

- supplier and employee expenses that were higher than originally budgeted due to the Department delivering an increased level of service. The additional services provided by the Department largely relate to measures announced at PAES (\$41m) including the Management of the Onshore Immigration Detention Network and Syrian and Iraqi Humanitarian Crisis (these measures also led to higher departmental revenue)
- other expenses were higher than originally budgeted due to additional expenses related to the establishment of a surgical and inpatient facility in Nauru (\$10m) that was not budgeted for as a departmental expense (this also led to higher Departmental revenue)
- employee benefits were higher than budgeted due to the current-year reduction in the government bond rates, which had a direct impact on the present value of leave provisions (\$22m). The decline in the bond rate was not included in the Budget figures. The bond rate adjustment was the primary reason for the Department incurring a deficit attributable to Government of \$22m (adjusted for unfunded depreciation)
- write-down and impairment of assets was \$10m higher than Budget due to the review and rationalisation of all departmental software post consolidation (\$6m) and a larger than anticipated provision for impairment allowance (\$3m)
- movement in non-financial assets have resulted in increased depreciation (\$47m) which was not budgeted for. Please see details of departmental assets on p. 265.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## DEPARTMENTAL REVENUE

The total variation between the departmental revenue and the original budget estimate is \$73m (or 3%). This increase largely consists of \$41m revenue from Government and \$30m own-source revenue.

Additional appropriation funding approved during the course of the year included Management of the Onshore Immigration Detention Network (\$31m) and Syrian and Iraqi Humanitarian Crisis (\$7m).

Increases in own-source revenue (\$30m) include:

- the electronic travel authority fees (\$17m revenue, \$15m expense) under contractual arrangements. This was budgeted on net terms
- transfers from the Department of Foreign Affairs and Trade (\$10m) contributing to the establishment of a surgical and inpatient facility in Nauru.

## DEPARTMENTAL ASSETS

Total departmental assets are \$71m (or 4%) less than the original budgeted position largely due to variations between the 2014–15 estimated actual outcome and the final closing position.

The variance for financial assets is \$91m below the original budget estimate reflecting a prior year reduction in the opening balances for cash and receivables (\$82m) as per the final 2014–15 outcomes.

The non-financial assets are higher by \$20m (or 1%) due to:

- net increase in software (\$56m) related to investment in reform activities and consolidated networks and systems post-integration
- increases in inventories (\$17m) related to the sustainment of vessels.

These positive variances to non-financial assets were offset by negative variances to buildings (\$20m), leasehold improvements (\$11m) and vessels (\$21m) mainly due to higher than budgeted depreciation. The higher depreciation was a result of reductions to the useful lives of some assets (accelerating depreciation) and a higher asset base as some of these assets such as vessels were put into service.

## DEPARTMENTAL LIABILITIES

Total departmental liabilities are \$26m (or 3%) less than the original budgeted position largely due to variations between the 2014–15 estimated actual outcome and the final closing position (\$16m). Significant (offsetting) variances within the result include:

- higher employee provisions due to the movement in the bond rate (see departmental expenses)
- lower wages and salaries payable (purely timing)
- higher accrued expenses. The final outcome is consistent with the revised estimate for 30 June 2016 (within 1%) as stated in the 2016–17 Portfolio Budget Statements, reflecting known adjustments including results from prior years and expected movements in 2015–16.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 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.

### ADMINISTERED EXPENSES

The Department ended the year with a variation of \$157m (or 7%) over the original administered expense budget. Since the original budget the Government agreed to a number of measures as part of the 2015–16 PAES which increased the administered expense budget by \$375m including:

- funding to respond to the Syrian and Iraqi Humanitarian Crisis (\$14m)
- additional funding for the Asylum Seeker Support programme (\$12m)
- management of the Onshore Immigration Detention Network (\$177m) to align the management of the Immigration Detention Network to the current operating environment
- continued support for refugee resettlement arrangements for offshore Illegal Maritime Arrivals (IMAs) found to be owed protection, and removal arrangements for IMAs found not to be owed protection (\$112m)
- estimate adjustments for the management of IMAs and non-IMAs (\$60m) across the Immigration Detention Network, and regional processing and settlement countries.

Further changes were agreed as part of the 2016–17 Budget process which reduced the budget estimates for 2015–16 by \$210m (and offset the increased expenses listed above).

These changes included:

- expense reduction in IMA onshore detention network quarantined by Department of Finance (\$150m)
- movements of administered expenses from 2015–16 to 2016–17 (\$47m)
- a return of funding associated with Provision of Advanced Passenger Processing Solution to Malaysia and Indonesia (\$13m).

Taking into account all of these changes throughout the year, the Department ended the year within 2% of its final Budget for 2015–16.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### ADMINISTERED REVENUE

The total variation between the administered revenue and the original budget estimate is \$4,591m (or 36%) higher than the original budget estimate of \$12,731m. The key driver was Taxation Revenue in the form of Customs Duty collections being stronger than originally anticipated, a result of the greater than anticipated shift from domestic production to imported tobacco products. The Customs Duty collected in 2015–16 is \$14,045m, which is \$4,565m above the original budget estimate of \$9,479m. Customs Duty estimates were updated through the various Budget rounds with the original budget being increased by \$3,430m at PAES and \$519m as part of the 2016–17 Budget.

All other heads of revenue ended close to original budget.

### ADMINISTERED ASSETS

Total assets are \$495m (or 20%) less than the original budgeted position.

Financial assets ended \$69m above budget due to higher Taxation receivables. The closing Taxation receivables are \$81m (or 31%) higher than the original budget. This is in part due to the overall increase in duty collections and the timing of the weekly settlement process with two additional days accrued this year. This is a timing impact and was not forecast in the budgeted receivables figure.

Non-financial assets were lower than original budget by \$588m. Of this amount \$340m relates to the difference in the opening balance compared to original budget. The remaining difference (\$248m) relates to:

- an intra-government asset transfer from the Department of Finance of Villawood detention centre facilities (\$175m). The 2015-16 Budget balance mostly relates to 2013–14 asset transfers, with an additional \$35m of assets transferred in the current financial year
- delayed capital works (\$78m), due to difficulties in securing suitable land leases, a dispute settlement that resolved in the Department's favour, and strategic decisions in relation to the ongoing detention network estate management.

### ADMINISTERED LIABILITIES

Total liabilities are \$159m (or 36%) lower than the original budgeted position. This is largely due to variations between the 2014–15 estimated actual outcomes and the final closing position (\$177m). The remaining variance is consistent with the reduction in payables (\$22m) due to reductions in detainees and eligible recipients pending visa status resolution. There is an offsetting increase in unearned income for visa application amounts receipted but not matched to an application, partially offset by the reduction in amounts held for visa bonds.



# APPENDICES

## PART 7

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# APPENDIX 1: CLASSIFICATIONS AND SALARY RATES

The following tables provide a breakdown of salary ranges within each classification as prescribed by the Enterprises Agreement (EA).

Table 26:

## Classification and salary rates—Indigenous Cadets and Graduates

APS classification	Salary point	Salary effective 30 June 2016
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 27:

## Classification and salary rates—APS Level staff

APS classification	Salary point	Salary effective 30 June 2016
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 28:

### Classification and salary rates—Executive Level staff

APS classification	Salary point	Salary effective 30 June 2016
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 29:

### Classification and salary rates—Legal Officers

APS classification	Local title	Salary point	Salary effective 30 June 2016
APS Level 4	Legal Officer	LO APS 4.1	\$66,283
APS Level 5	Legal Officer	LO APS 5.1	\$72,022
APS Level 6	Legal Officer	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 30:

### Classification and salary rates—Public Affairs Officers

APS classification	Local title	Salary point	Salary effective 30 June 2016
APS Level 4	Public Affairs Officer 1	PAO 1 APS 4.1	\$60,452
		PAO 1 APS 4.2	\$66,736
APS Level 5	Public Affairs Officer 1	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 31:

### Classification and salary rates—Medical Officers

APS classification	Salary point	Salary effective 30 June 2016
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 2: LEGAL SERVICES EXPENDITURE

Table 32 outlines the legal services expenditure by the Department for 2015–16 in compliance with paragraph 11.1(ba) of the *Legal Services Directions 2005*.

Table 32:

## Legal services expenditure

Description	2015–16 cost (excluding GST)
<b>Total legal services expenditure</b>	<b>\$72,375,901.0</b>
<b>Total external legal services expenditure</b>	<b>\$40,923,123.0</b>
External expenditure on solicitors <sup>a</sup>	\$34,447,346.0
External expenditure on counsel <sup>b</sup>	\$4,524,280.0
• Number of matters in which male counsel briefed	766
• Estimated value of briefs to male counsel	\$3,650,197.0
• Number of matters in which female counsel briefed	198
• Estimated value of briefs to female counsel	\$ 874,083.0
Disbursements on external legal services	\$1,951,497.0
<b>Total internal legal services expenditure</b>	<b>\$31,452,778.0</b>
• Employees	\$27,872,433.0
• Overheads (for example, office stores and stationery, training and travel, property and information technology related costs) <sup>c</sup>	\$3,580,345.0

a. 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.

b. External expenditure on counsel figures relate to finalised litigation matters only.

c. Overheads—indirect property and IT costs are included. This amount is reported in accordance with *Office of Legal Services Coordination Guidance Note 8*.

# APPENDIX 3: FREEDOM OF INFORMATION

Information about the Department, including its structure, appears earlier in this report as well as online at [www.border.gov.au](http://www.border.gov.au)

Decision-making powers are vested in the Minister and/or Secretary under various Acts. The Minister and the Secretary may delegate or authorise the function of most of their powers to departmental staff. Generally, the Department prefers to provide access to documents that are not otherwise available online in the form of copies. These are available in paper or electronic form.

Initial telephone enquiries in relation to freedom of information (FOI) matters may be made through the hotline on 131 881.

FOI requests with contact addresses in Victoria, Western Australia and South Australia should be sent to:

Freedom of Information Melbourne  
Department of Immigration  
and Border Protection  
GPO Box 241  
MELBOURNE VIC 3001 or  
[FOI.vic@border.gov.au](mailto:FOI.vic@border.gov.au)

FOI requests with contact addresses in New South Wales, Queensland, Tasmania, the Australian Capital Territory and the Northern Territory should be sent to:

NSW Freedom of Information  
Department of Immigration  
and Border Protection  
GPO Box 9984  
SYDNEY NSW 2001 or  
[FOI.nsw@border.gov.au](mailto:FOI.nsw@border.gov.au)

FOI requests with overseas contact addresses should be sent to:

Freedom of Information Section  
Department of Immigration  
and Border Protection  
PO Box 25  
BELCONNEN ACT 2617 AUSTRALIA or  
[FOI@border.gov.au](mailto:FOI@border.gov.au)

# APPENDIX 4: CITIZENSHIP STATISTICS

The following tables show the number of people on whom Australian citizenship was conferred, details of their former nationality or citizenship, and the country in which they were ordinarily resident before entering Australia.

Table 33:

## Previous country of nationality or citizenship of people on whom Australian citizenship was conferred in 2015–16

Previous country of nationality or citizenship	Number of people
Afghanistan	991
Albania	77
Algeria	12
Argentina	150
Armenia	26
Austria	82
Azerbaijan	24
Bahamas	<5
Bahrain	25
Bangladesh	1,976
Barbados	6
Belarus	30
Belgium	184
Belize	<5
Benin	<5

Previous country of nationality or citizenship	Number of people
Bermuda	<5
Bhutan	654
Bolivia	17
Bosnia and Herzegovina	119
Botswana	20
Brazil	1,141
British West Indies	<5
Brunei Darussalam	19
Bulgaria	68
Burundi	102
Cambodia	582
Cameroon	20
Canada	1,056
Central African Republic	<5
Chad	<5
Chile	273
China, People's Republic of	6,931
Colombia	870
Comoros	<5
Congo, Democratic Republic of the	248
Congo, Republic of	81
Costa Rica	9
Cote d'Ivoire	9
Croatia	104
Cuba	18
Cyprus	11
Czech Republic	236
Czechoslovakia	5

Previous country of nationality or citizenship	Number of people
Denmark	321
Djibouti	5
Dominica	<5
Dominican Republic	5
Ecuador	34
Egypt	869
El Salvador	59
Eritrea	213
Estonia	50
Ethiopia	534
Fiji	1,095
Finland	119
France	1,121
French Polynesia	<5
Georgia	5
Germany	1,179
Ghana	182
Gibraltar	<5
Greece	150
Grenada	<5
Guadeloupe	<5
Guatemala	7
Guinea	16
Guinea-Bissau	<5
Guyana	<5
Honduras	7
Hong Kong (SAR of China)*	1,039
Hungary	248

Previous country of nationality or citizenship	Number of people
Iceland	24
India	21,989
Indonesia	934
Iran	2,416
Iraq	1,417
Ireland, Republic of	3,943
Isle of Man	<5
Israel	326
Italy	934
Jamaica	37
Japan	187
Jordan	233
Kazakhstan	41
Kenya	424
Kiribati	<5
Korea, North <sup>b</sup>	<5
Korea, South <sup>c</sup>	2,258
Kosovo	17
Kuwait	7
Kyrgyzstan	8
Laos <sup>d</sup>	189
Latvia	45
Lebanon	796
Lesotho	<5
Liberia	157
Libya	167
Lithuania	11
Luxembourg	7

Previous country of nationality or citizenship	Number of people
Macau (SAR of China) <sup>a</sup>	29
Macedonia <sup>a</sup>	240
Madagascar	9
Malawi	9
Malaysia	2,827
Maldives	23
Mali	<5
Malta	161
Marshall Islands	<5
Mauritius	761
Mexico	244
Micronesia	<5
Moldova	25
Mongolia	28
Montenegro	6
Morocco	64
Mozambique	7
Myanmar	1,250
Namibia	21
Nauru	6
Nepal	2,959
Netherlands	500
New Caledonia	8
New Zealand	4,390
Nicaragua	5
Nigeria	381
Norway	12
Oman	<5

Previous country of nationality or citizenship	Number of people
Other/unknown	213
Pakistan	3,077
Palestinian Authority	44
Panama	<5
Papua New Guinea	224
Paraguay	6
Peru	334
Philippines	8,333
Poland	528
Portugal	222
Qatar	<5
Republic of South Sudan	18
Reunion	<5
Romania	274
Russian Federation	873
Rwanda	50
Saint Helena <sup>f</sup>	<5
Saint Lucia	<5
Saint Pierre and Miquelon	<5
Samoa	37
Saudi Arabia	16
Senegal	5
Serbia	181
Serbia and Montenegro	15
Seychelles	30
Sierra Leone	124
Singapore	616
Slovakia	130

Previous country of nationality or citizenship	Number of people
Slovenia	65
Solomon Islands	22
Somalia	234
South Africa	5,629
Spain	352
Sri Lanka	3,752
Sudan	553
Suriname	<5
Swaziland	6
Sweden	320
Switzerland	153
Syrian Arab Republic	185
Taiwan	716
Tajikistan	<5
Tanzania	42
Thailand	1,895
Timor-Leste	21
Togo	41
Tonga	82
Trinidad and Tobago	28
Tunisia	10
Turkey	510
Turkmenistan	<5
Uganda	47
Ukraine	302
United Arab Emirates	7
United Kingdom	20,947
United States of America	1,963

Previous country of nationality or citizenship	Number of people
Uruguay	35
USSR	<5
Uzbekistan	57
Vanuatu	26
Venezuela	300
Vietnam	4,173
Yemen, Republic of	5
Yugoslavia, Federal Republic of	34
Zambia	140
Zimbabwe	1,092
<b>Total</b>	<b>133,126</b>

- a. 'SAR' means Special Administrative Region of the People's Republic of China.
- b. Democratic People's Republic of Korea.
- c. Republic of Korea.
- d. Lao People's Democratic Republic.
- e. Former Yugoslav Republic of Macedonia.
- f. Saint Helena, Ascension and Tristan Da Cunha.

Table 34:

### Previous country of residence of people on whom Australian Citizenship was conferred in 2015–16

Previous country of residence	Number of people
Afghanistan	406
Albania	53
Algeria	5
American Samoa	<5
Andorra	<5
Angola	<5
Antarctica	<5
Argentina	114
Armenia	24

Previous country of residence	Number of people
Aruba	<5
Austria	59
Azerbaijan	19
Bahamas	<5
Bahrain	78
Bangladesh	1,450
Barbados	<5
Belarus	19
Belgium	135
Belize	<5
Benin	7
Bermuda	11
Bhutan	88
Bolivia	11
Bosnia and Herzegovina	73
Botswana	106
Brazil	890
Brunei Darussalam	56
Bulgaria	27
Burundi	29
Cambodia	390
Cameroon	15
Canada	941
Cayman Islands	10
Central African Republic	<5
Chad	<5
Chile	197
China, People's Republic of	5,306
Colombia	677

Previous country of residence	Number of people
Congo, Democratic Republic of the	79
Congo, Republic of	21
Cook Islands	<5
Costa Rica	6
Cote d'Ivoire	7
Croatia	62
Cuba	7
Curacao	<5
Cyprus	26
Czech Republic	177
Czechoslovakia	18
Denmark	216
Djibouti	6
Dominica	<5
Dominican Republic	6
Ecuador	24
Egypt	629
El Salvador	37
Eritrea	50
Estonia	30
Ethiopia	242
Fiji	763
Finland	72
France	814
French Polynesia	6
Gabon	<5
Georgia	<5
Germany	871
Ghana	153

Previous country of residence	Number of people
Gibraltar	5
Greece	121
Greenland	<5
Guatemala	<5
Guinea	60
Guinea-Bissau	<5
Guyana	<5
Haiti	<5
Honduras	<5
Hong Kong (SAR of China) <sup>a</sup>	956
Hungary	175
Iceland	15
India	15,764
Indonesia	775
Iran	1,923
Iraq	540
Ireland, Republic of	3,226
Isle of Man	<5
Israel	261
Italy	653
Jamaica	21
Japan	215
Jordan	191
Kazakhstan	30
Kenya	535
Kiribati	<5
Korea, North <sup>b</sup>	<5
Korea, South <sup>c</sup>	1,623
Kosovo	14

Previous country of residence	Number of people
Kuwait	69
Kyrgyzstan	6
Laos <sup>d</sup>	96
Latvia	31
Lebanon	620
Lesotho	6
Liberia	45
Libya	69
Lithuania	5
Luxembourg	9
Macau (SAR of China) <sup>a</sup>	26
Macedonia <sup>e</sup>	164
Madagascar	<5
Malawi	21
Malaysia	2,214
Maldives	15
Mali	<5
Malta	106
Marshall Islands	<5
Mauritius	620
Mexico	190
Moldova	14
Mongolia	16
Montenegro	8
Morocco	40
Mozambique	9
Myanmar	420
Namibia	14
Nauru	<5

Previous country of residence	Number of people
Nepal	2,452
Netherlands	355
New Caledonia	23
New Zealand	3,844
Nicaragua	<5
Niger	<5
Nigeria	195
Norfolk Island	<5
Norway	20
Oman	54
Other/unknown	33,648
Pakistan	2,215
Palestinian Authority	10
Panama	<5
Papua New Guinea	153
Paraguay	<5
Peru	251
Philippines	5,375
Poland	336
Portugal	96
Qatar	88
Republic of South Sudan	18
Reunion	<5
Romania	162
Russian Federation	600
Rwanda	32
Saint Lucia	<5
Saint Maarten (Dutch part)	<5

Previous country of residence	Number of people
Samoa	20
Saudi Arabia	177
Senegal	<5
Serbia	152
Serbia and Montenegro	<5
Seychelles	22
Sierra Leone	54
Singapore	1,137
Slovakia	92
Slovenia	37
Solomon Islands	16
Somalia	67
South Africa	4,298
Spain	290
Sri Lanka	2,577
Sudan	236
Suriname	<5
Swaziland	5
Sweden	255
Switzerland	171
Syrian Arab Republic	262
Taiwan	567
Tajikistan	<5
Tanzania	74
Thailand	1,717
Timor-Leste	16
Togo	8
Tonga	52

Previous country of residence	Number of people
Trinidad and Tobago	15
Tunisia	9
Turkey	444
Uganda	121
Ukraine	203
United Arab Emirates	793
United Kingdom	16,050
United States of America	1,778
Uruguay	22
USSR	21
Uzbekistan	28
Vanuatu	12
Venezuela	237
Vietnam	2,806
Yemen, Republic of	<5
Yugoslavia, Federal Republic of	25
Zambia	124
Zimbabwe	671
<b>Total</b>	<b>133,126</b>

- a. 'SAR' means Special Administrative Region of the People's Republic of China.
- b. Democratic People's Republic of Korea.
- c. Republic of Korea.
- d. Lao People's Democratic Republic.
- e. Former Yugoslav Republic of Macedonia.

# APPENDIX 5: 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. The IPS replaces the former annual report publication requirements in Section 8 of the FOI Act.

Information on the Department's IPS is available on the integrated Department's website at [www.border.gov.au/about/access-accountability/freedom-of-information-foi/information-publication-scheme](http://www.border.gov.au/about/access-accountability/freedom-of-information-foi/information-publication-scheme)

# APPENDIX 6: OVERVIEW OF THE OFFICE OF THE MIGRATION AGENTS REGISTRATION AUTHORITY (OMARA)

The Office of the Migration Agents Registration Authority (OMARA) regulates the activities of the Australian migration advice profession to provide consumers of migration advice services with appropriate protection and assurance.

This information complies with section 322 of the *Migration Act 1958*, which provides that a report on the administration of Part 3 of the Act during the financial year must be tabled in Parliament.

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## INFORMATION ABOUT MIGRATION AGENTS

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### OVERVIEW OF THE PROFESSION

On 30 June 2016 there were 6306 persons registered in Australia as migration agents. This compares with 5706 on 30 June 2015 and represents an increase of 10.5 per cent in 12 months.

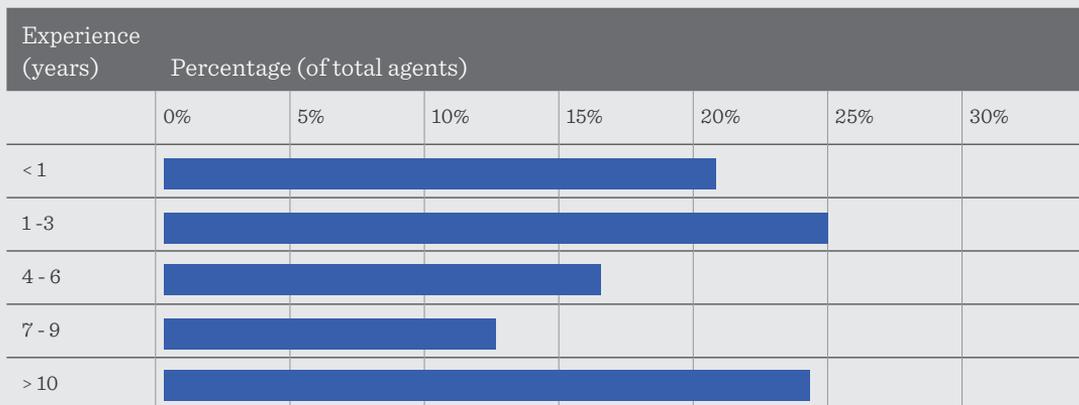
### PROFILE OF REGISTERED MIGRATION AGENTS

- 47 per cent are female and 53 per cent are male
- 44 years is the average age
- 2052 (32.5 per cent) of the total number registered have a legal practising certificate; of the 495 agents who are registered as not for profit, 71.5 per cent hold a legal practising certificate
- 74.4 per cent have never had a complaint made against them
- 41.4 per cent report operating in a business as a sole trader.

Figure 7:

### Experience of registered migration agents at 30 June 2016

Experience (years)	Agents	Per cent (of total agents)
< 1	1,337	21%
1-3	1,596	25%
4 - 6	1,065	17%
7 - 9	807	13%
> 10	1,501	24%
<b>Total</b>	<b>6,306</b>	



This graph shows that at 30 June 2016, some 1337 (21 per cent) migration agents had been continuously registered for less than one year and 1596 (25 per cent) had been registered for between one and three years. In all 1501 (24 per cent) agents were registered for more than 10 years.

## REGISTRATION WITHDRAWALS AND REFUSALS

During the 2015–16 year, 20 registration applications were refused, comprising 12 initial applications and eight repeat applications. The primary reason for refusing initial registration was that applicants did not meet the English-language requirement. Fit and proper considerations underpinned the refusal decisions for the repeat registration applicants.

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## MONITORING

To ensure agent compliance with the Code of Conduct for registered migration agents and continuing professional development (CPD) provider compliance with the CPD approved provider standard conditions, a range of monitoring activities were conducted during the 2015–16 year. Participants were targeted based on both risk factors and randomly.

The activities included:

- self-audit surveys to ensure agent compliance with various aspects of the code
- review of agent websites to verify adherence to advertising requirements
- checking that new agents held the required elements of a professional library
- office visits to assess business processes in accordance with the code
- review of client files
- review of CPD providers and activities.

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## COMPLAINT PROCESSING

The OMARA received 681 complaints during the 2015–16 year and finalised 747. Merit and jurisdiction were established for 354 complaints and 192 were finalised with a finding that the agent had breached the code.

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## SANCTION OUTCOMES

Disciplinary decisions were made in regard to 18 registered migration agents in 2015–16, based on 73 complaints. These decisions resulted in eight agents being cautioned,

five agents having their registration cancelled and five agents being barred from registering again as a migration agent for periods of one to five years.

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## OMARA REVIEW

Work has progressed on implementing recommendations arising from the independent review of the OMARA. The review was conducted by Perth barrister

Dr Christopher N Kendall, whose report was released on 8 May 2015.

An independent reference group has been established to advise on implementation.

# APPENDIX 7: CORRECTION OF MATERIAL ERRORS

Correction of errors in the  
*Australian Customs and Border  
Protection Annual Report 2014–15.*

## Page 45

The number of fishers apprehended and processed was incorrectly reported as 25 (published in Table 3: Programme 1.1: Border Enforcement KPIs). The correct figure is 34.

## Page 62

The number of undeclared handguns detected at the border was incorrectly reported as having ‘increased by almost 60 per cent including several deliberate attempts at concealing complete handguns through the International Mail Stream’. The number of undeclared handguns that were detected at the Border decreased by approximately 73 per cent (13 detected in 2014–15 compared with 49 in 2013–14).



# REFERENCE MATERIAL

## PART 8

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# ABBREVIATIONS AND ACRONYMS

## A

ABF	Australian Border Force
ACBPS	Australian Customs and Border Protection Service
ADF	Australian Defence Force
ADS	Approved destination status
AFP	Australian Federal Police
AHRC	Australian Human Rights Commission
AMSA	Australian Maritime Safety Authority
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
ASL	Average Staffing Level
ATO	Australian Taxation Office
ATS	amphetamine-type stimulants
ATT	Australian Trusted Trader programme
Austrade	Australian Trade Commission
AVR	Assisted voluntary return
AVRR	Assisted voluntary return and reintegration
AWOTE	Average Weekly Ordinary Time Earnings

**B**

B5	Border Five Group
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Bali Process	Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime
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BMG	Business Mobility Group
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BRIS	Border Risk Identification System
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BVE	Bridging E visa
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**C**

CD	Community detention
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CPRs	Commonwealth Procurement Rules
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CSRO	Community status resolution officers
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CSRS	Community status resolution service
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CTU	Counter-Terrorism Unit
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**D**

DFAT	Department of Foreign Affairs and Trade
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DIBP	Department of Immigration and Border Protection
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**E**

EA	Enterprise Agreement
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EAP	Employee Assistance Programme
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EEGO	Energy Efficiency in Government Operations policy
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EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
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**F**

FCC	Five Country Conference
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FOI Act	<i>Freedom of Information Act 1982</i>
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FTA	Free trade agreement
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FTE	Full-time employee
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<b>G</b>	
GFMD	Global Forum on Migration and Development
GLS	Green lease schedule
GST	Goods and services tax
<b>H I</b>	
ICT	Information communications technology
IDC	Immigration detention centre
IDF	Immigration detention facility
IGC	Intergovernmental Consultations on migration, asylum and refugees
IGOC Act	<i>Immigration (Guardianship of Children) Act 1946</i>
IMA	Illegal maritime arrival
IOM	International Organization for Migration
IRH	Immigration residential housing
ITA	Immigration transit accommodation
<b>J</b>	
JATF	Joint Agency Task Force
<b>K</b>	
kg	kilogram
KPI	Key performance indicator
<b>L M</b>	
MACSM	Ministerial Advisory Council on Skilled Migration
MDMA	3,4-methylenedioxymethamphetamine (ecstasy)
Migration Act	<i>Migration Act 1958</i>
MIA	Migration Institute of Australia
MJ	megajoule
MOU	Memorandum of Understanding (singular) Memoranda of Understanding (plural)
MP	Member of Parliament

**N**

NABERS	National Australian Built Environment Rating System
NAFIS	National automated fingerprint identification system
NGO	Non-government organisation
NSC	National Security College

**O**

OAIC	Office of the Australian Information Commissioner
OMARA	Office of the Migration Agents Registration Authority
OSB	Operation Sovereign Borders

**P**

PACE	Positive Action towards Career Engagement
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PIEDs	performance and image-enhancing drugs
PNG	Papua New Guinea
POM Act	<i>Migration Amendment (Protection and Other Measures) Act 2015</i>
PS Act	<i>Public Service Act 1999</i>
PSM	Public Service Medal
PUE	Power usage effectiveness

**Q R**

RA	reintegration assistance
RALC Act	<i>Migration and Maritime Powers Legislation Amendment (Resolving the Asylum Legacy Caseload) Act 2014</i>
RAN	Royal Australian Navy
RCAs	Regional cooperation arrangements
RMAS	Regional movement alert system
RPC	Regional Processing Centre
RSO	Regional support office

<b>S</b>	
SAR PRC	Special Administrative Region of the People's Republic of China
SCG	Strategic Command Group
SES	Senior Executive Service
SDP	Service delivery partner
SHP	Special humanitarian programme
SHEV	Safe Haven Enterprise visa
SLA	Service-level agreement
SRSS	Status resolution support services
SCC	DIBP Sydney Service Centre
<b>T</b>	
TB	Tuberculosis
TEU	twenty-foot equivalent unit (container measure)
TIS	Translating and Interpreting Service
TPV	Temporary Protection visa
TRS	Tourist Refund Scheme
<b>U V</b>	
UHM	Unaccompanied humanitarian minor
UNHCR	Office of the United Nations High Commissioner for Refugees
USA	United States of America
VEVO	Visa entitlement verification online
<b>W X Y Z</b>	
WCO	World Customs Organization
WHS	Work health and safety

# GLOSSARY

Term	Definition
Appropriation	An authorisation by the Australian Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Approved destination status (ADS) scheme	A bilateral tourism arrangement which provides streamlined group travel to Australia for Chinese tourists.
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.
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.
AusTender	Australian Government's tendering system.
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 persons and related transnational crime.
Border Five Group	The Border Five Group (B5) is a consortium of government customs agencies from Australia, Canada, New Zealand, the United Kingdom and the United States of America.
Bona fides	Bona fides is a Latin phrase meaning 'good faith'.
Community detention	An alternative term for 'residence determination', which allows a person, who is required or permitted 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 detained at a place of immigration detention. Under the Migration Act, 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 to do so.

Term	Definition
Disability	<p>Under the Disability Discrimination Act 1992 in relation to a person, disability is defined as:</p> <ul style="list-style-type: none"> <li>• total or partial loss of the person's bodily or mental functions</li> <li>• total or partial loss of a part of the body</li> <li>• the presence in the body of organisms causing disease or illness</li> <li>• the presence in the body of organisms capable of causing disease or illness</li> <li>• the malfunction, malformation or disfigurement of a part of the person's body</li> <li>• disorder or malfunction that results in the person learning differently from a person without the disorder or malfunction</li> <li>• a disorder, illness or disease that affects a person's thought processes, perception of reality, emotions or judgement or that results in disturbed behaviour.</li> </ul> <p>And includes a disability that:</p> <ul style="list-style-type: none"> <li>• presently exists</li> <li>• previously existed but no longer exists</li> <li>• may exist in the future</li> <li>• is imputed to a person.</li> </ul>
ecstasy	Colloquial name for 3, 4-methylenedioxyamphetamine (MDMA).
Education Visa Consultative Committee	A stakeholder forum which discusses immigration issues relevant to the education industry.
eLearning	Learning conducted via electronic media, typically online.
ePassport	Passport with an embedded chip.
examination	Examination of cargo by an ABF officer.
Exclusive Economic Zone	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.
Family stream	A subset of the Migration Programme which provides for family reunion.
Five Country Conference	The Five Country Conference (FCC) is a consortium of government immigration agencies from Australia, Canada, New Zealand, the United Kingdom and the United States of America.
Highly Specialised Work stream of the Temporary Work (Short Stay Activity) visa (subclass 400).	This stream of the Subclass 400 visa is designed to meet short-term business requirements for specialised skills or knowledge. The visa does not require sponsorship or nomination and may be granted for up to six months with a single or multiple entry facility.
Illegal maritime arrival (IMA)	<p>The word 'illegal' refers to the mode of entry of persons who enter Australia by boat without a valid visa.</p> <p>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 Migration Act 1958 but in this report the term used is 'illegal maritime arrivals'.</p>

Term	Definition
ImmiAccount	Single entry point for individuals, registered migration agents, service delivery partners, business and stakeholders to access the Department's online services. ImmiAccount is the gateway to online services that support clients to 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.
ImmiCards	ImmiCards are official, secure immigration credentials that contain a photograph and personal details. ImmiCards contain a unique number which is linked to biometric and visa details in our system. Under the National Identity Proofing Guidelines, the ImmiCard is listed as an official Commencement of Identity credential.
<i>Immigration (Guardianship of Children) Act 1946</i>	This legislation provides that the Minister is the legal guardian of certain non-citizen minors who arrive in Australia unaccompanied by a parent or relative at least 21 years of age, and who intend to permanently reside.
inspection	May include use of non-intrusive examination through X-ray technology (static or mobile), trace particle detection, detector dogs or physical examination of cargo.
intelligence-led approach	An approach that ensures strategic and operational decision-making is informed by intelligence.
intervention	Use of any or all processes, including risk assessment, inspection and examination, to prevent the import or export of prohibited items and to control the movement of restricted items.
Migration Act	The <i>Migration Act 1958</i> is the principal piece of legislation which 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.
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 lodgement method where an application can be completed and submitted over 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 Federal Government agencies.
Patrols (CTU context)	Patrols include activity by CTU officers, both overt and covert, in the airport precinct with the intention of detecting, deterring and disrupting terrorist related activity.

Term	Definition
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.
Priority processing direction	The order in which the Department considers permanent skilled migration 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.
Refugee	Person recognised as needing protection. According to the Refugee Convention, 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 opinion or membership of a particular social group.
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.
Regional support office	<p>The regional support office (RSO) of the Bali Process in Bangkok, Thailand, supports practical cooperation on refugee protection and international migration, including human trafficking and smuggling, and other components of migration management in the Asia-Pacific region.</p> <p>It operates under the oversight and direction of the Bali Process co-chairs (Australia and Indonesia), and in consultation with the International Organization for Migration (IOM) and the Office of the United Nations High Commissioner for Refugees (UNHCR).</p>
Safe Haven Enterprise 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 that in some instances can lead to a permanent visa pathway (not a permanent Protection visa).
Service standards	The expected time required by the Department to process applications under various visa categories.
Skill stream	The Skill stream consists of 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.
SmartGate	Automated border processing system.
Special humanitarian programme (SHP)	A stream within the offshore Humanitarian Programme. Applicants must be proposed by an Australian citizen or permanent resident who agrees to pay for their airfares and help them settle in Australia if they are granted a visa.
Special Eligibility stream	A subset of the Migration Programme that provides for the migration of former residents of Australia.

Term	Definition
Statutory	<p>Of, relating to, or of the nature of a statute (an enactment made by a legislature and expressed in a formal document).</p> <p>Prescribed or authorised by statute. For example, a statutory process would be a process that is prescribed or authorised by statute.</p>
Student	A term referring to a holder of a Student visa (subclasses 570-576).
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.
TIS National	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 their non-English-speaking clients.
TIS Online	TIS Online is an innovative online self-help service that delivers Australian Government policies to provide better access and equity for non-English speakers, reduces the cost of providing key government services, and adopts digital-first strategies to service real-time community needs. It has transformed TIS National's service capability and channel offering, providing faster and better services for clients at a lower cost per service.
Transferee	An IMA transferred to an offshore processing centre in an offshore regional processing country.
Type 3 (fishing vessel)	Indonesian, wooden construction, motorised, small-medium length (generally 15m or less), narrow beam (incorporates the sub types: Bohdi, Trochus & Sharkboat).
Type 4 (fishing vessel)	Indonesian, wooden/steel construction, motorised, large length (generally 20m+), large beam (incorporates the sub types: Iceboat, Gillnetter, Trapboat & Timika).
Unaccompanied humanitarian minor	An unaccompanied humanitarian minor is an unaccompanied minor who has been granted a visa under Australia's offshore Humanitarian Programme or granted a Protection visa in Australia.
Unaccompanied minor	<p>A child who has been separated from his or her parents and other relatives and is not being cared for by an adult who is at least 21 years of age and who, by law or custom, is responsible for doing so.</p> <p>Certain unaccompanied minors fall under the guardianship of the Minister by operation of the <i>Immigration (Guardianship of Children) Act 1946 (IGOC Act)</i>. The Minister remains the guardian of an unaccompanied minor under the IGOC Act until the minor turns 18 years of age, leaves Australia permanently, becomes an Australian citizen, or the Minister directs that the ward will not be covered by the IGOC Act. This may occur, for example, when the child is adopted or a relative over the age of 21 years takes responsibility for the child.</p>
Woman at Risk visa	<p>The subclass 204 visa is for female applicants and their dependants who are subject to persecution or are people 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.</p> <p>This subclass recognises the priority given by the UNHCR to the protection of refugee women who are in particularly vulnerable situations.</p>

Term	Definition
Working holiday makers	A collective term referring to Working Holiday visa (subclass 417) holders and Work and Holiday visa (subclass 462) holders.
457 programme	<p>The Temporary Work (Skilled) visa (subclass 457) is designed to address labour shortages by allowing genuinely skilled overseas workers to enter Australia temporarily when employers are unable to find an appropriately qualified Australian to fill a position. The programme is uncapped and demand-driven, and is designed to be responsive to immediate skills needs.</p> <p>It also enables overseas businesses temporary access to fulfil contracts to perform work, or to provide services to an Australian business, to establish a branch of their business in Australia.</p>
24/7	Twenty-four hours a day, seven days a week.

# COMPLIANCE INDEX

PGPA Rule Reference	Part of Report	Description	Requirement	Page
<b>17AD(g)</b>	<b>Letter of transmittal</b>			
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	v
<b>17AD(h)</b>	<b>Aids to access</b>			
17AJ(a)		Table of contents.	Mandatory	vi - xiii
17AJ(b)		Alphabetical index.	Mandatory	
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	298–308
17AJ(d)		List of requirements.	Mandatory	309–314
17AJ(e)		Details of contact officer.	Mandatory	ii
17AJ(f)		Entity's website address.	Mandatory	ii
17AJ(g)		Electronic address of report.	Mandatory	ii
<b>17AD(a)</b>	<b>Review by accountable authority</b>			
17AD(a)		A review by the accountable authority of the entity.	Mandatory	2–5
<b>17AD(b)</b>	<b>Overview of the entity</b>			
17AE(1)(a)(i)		A description of the role and functions of the entity.	Mandatory	12–13
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	16–20
17AE(1)(a)(iii)		A description of the outcomes and programmes administered by the entity.	Mandatory	21
17AE(1)(a)(iv)		A description of the purposes of the entity as included in Corporate Plan 2015–19.	Mandatory	25, 38, 60, 69, 78, 83
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments - Mandatory	n/a

PGPA Rule Reference	Part of Report	Description	Requirement	Page
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
<b>17AD(c)</b>	<b>Report on the performance of the entity</b>			
	<i>Annual performance Statements</i>			
17AD(c)(i); 16F		Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	23-87
<b>17AD(c)(ii)</b>	<b>Report on Financial Performance</b>			
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	90-103
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	95-97
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.	90-103
<b>17AD(d)</b>	<b>Management and Accountability</b>			
	<i>Corporate Governance</i>			
17AG(2)(a)		Information on compliance with section 10 (fraud systems)	Mandatory	v
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	v
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	v

PGPA Rule Reference	Part of Report	Description	Requirement	Page
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	v
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	112–116
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	121
<b><i>External Scrutiny</i></b>				
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	122–127
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	123–125
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	126
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	n/a
<b><i>Management of Human Resources</i></b>				
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	132–151
17AG(4)(b)		<p>Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:</p> <ul style="list-style-type: none"> <li>• Statistics on staffing classification level;</li> <li>• Statistics on full-time employees;</li> <li>• Statistics on part-time employees;</li> <li>• Statistics on gender;</li> <li>• Statistics on staff location;</li> <li>• Statistics on employees who identify as Indigenous.</li> </ul>	Mandatory	133–138

PGPA Rule Reference	Part of Report	Description	Requirement	Page
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	140-141
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	143
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	142
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	144
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	144-145
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	145
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	145
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, Mandatory	145
<b><i>Assets Management</i></b>				
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	152
<b><i>Purchasing</i></b>				
17AG(6)		An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	153
<b><i>Consultants</i></b>				
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	154

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(7)(b)		A statement that “ <i>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].</i> ”	Mandatory	154
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	154
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	154
<b><i>Australian National Audit Office Access Clauses</i></b>				
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	154
<b><i>Exempt contracts</i></b>				
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	155
<b><i>Small business</i></b>				
17AG(10)(a)		A statement that “[ <i>Name of entity</i> ] 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	155

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	155
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.”	If applicable, Mandatory	155
<b>Financial Statements</b>				
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	165–267
<b>17AD(f)</b>	<b>Other Mandatory Information</b>			
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	156
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	163
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	139
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	291
17AH(1)(e)		Correction of material errors in previous annual report	If applicable, mandatory	295
17AH(2)		Information required by other legislation	Mandatory	148–151, 156–157, 158–163, 292–294

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