



Australian Government

**Department of Immigration and
Multicultural and Indigenous Affairs**

2003-04 Annual Report

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Australian Government

Department of Immigration and Multicultural and Indigenous Affairs

Secretary

Senator the Hon. Amanda Vanstone
Minister for Immigration and Multicultural and Indigenous Affairs

Dear Minister

2003-04 ANNUAL REPORT

As required by subsections 63(2) and 70(2) of the *Public Service Act 1999*, I present to you the 2003-04 Annual Report of the Department of Immigration and Multicultural and Indigenous Affairs.

The report includes:

- an account of the operation of the Adult Migrant English Program, as required by section 12 of the *Immigration (Education) Act 1971*; and
- a statement required to be tabled before both Houses of Parliament by section 42(d) of the *Australian Citizenship Act 1948*.

A copy of the report is to be laid before each House of Parliament on or before 31 October 2004.

Yours sincerely

A handwritten signature in black ink, appearing to read 'W J Farmer', written over a horizontal line.

W J Farmer
24 September 2004

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Introduction | Review by the
Secretary

REVIEW BY THE SECRETARY

The key role of the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) is to manage and provide advice on migration and humanitarian policy, border control, Australian citizenship, multicultural affairs, settlement services and Indigenous affairs. The department's Indigenous responsibilities will change very substantially from 1 July 2004.

MIGRATION PROGRAM

The Migration Program continued the trend in recent years of strong growth and a focus on matching skilled migration outcomes with the expressed population and skill needs of each state/territory/region. The final outcome of 114,360 visa grants was the highest in over a decade, contributing to the objectives of:

- developing a strong skill base for Australia (62 per cent of the program was visaed on the basis of skills)
- harvesting the opportunities provided by Australia's export industry. Some 15,000 overseas students holding an Australian qualification were granted a visa within the Skill Stream in 2003-04. This was an increase of approximately 30 per cent on the previous year and comprised 55 per cent of all principal applicant grants in the Skill Stream
- expanding the opportunities for parent migration, with some 4,930 visas being granted to parents, a significant increase on the 500 in the previous year.

A total of 12,730 visas were issued under state-specific and regional migration mechanisms. This was an increase of 60 per cent and some 18 per cent of the total

Skill Stream. This outcome reflects the impact of a range of initiatives to support state and territory governments to more directly influence the number and skill level of migrants settling in their jurisdictions.

In an interview on ABC Radio, Professor Sue Richardson recently said that:

"I think Australia's actually got an excellent migration program, evaluated in terms of its value to Australia's residents ... Australia has been doing better than any other migrant country ... whereas the OECD countries are worried that their migrant experiences are getting worse, in Australia it seems to be getting better."

HUMANITARIAN PROGRAM

The department continued to focus effort on improving the operation of the humanitarian resettlement program. In 2003-04, 13,851 humanitarian visas were granted under the offshore and onshore components of the Humanitarian Program. This exceeded the 12,891 available places by 559 refugee grants and 401 Special Humanitarian Program (SHP) grants, with these places being brought forward from the 2004-05 program. Key source regions were Africa, the Middle East and South West Asia.

SUPPORTING TOURISM AND INTERNATIONAL EDUCATION

Departmental arrangements continued to contribute to sustainable growth in Australia's tourism and international education industries. Tourism grew strongly, recovering from the many setbacks of the previous year. A total of 3,461,841 visitor visas were granted, an increase of 7.1 per cent. A record 98.4 per cent of visa

applications were approved, up from 98.05 per cent in 2002-03. At the same time, the non-return rate continued to decline to the historically low rate of 1.47 per cent compared to the previous three years of 1.6 per cent, 1.83 per cent and 2.15 per cent. The department, through its international events coordination network – which provides a coordinated and streamlined visa delivery service – supported some 406 international events, double the number of events the previous year.

New working holiday agreements were signed with Italy and France, bringing the total number of agreement countries to 16. A record 93,845 working holiday visas were granted during the year, an increase of 5.7 per cent. Working holiday makers not only support the tourism industry, but as a young, mobile and adventurous cohort of travellers, work and live in many parts of regional Australia where they experience hospitality and make a real contribution to the economy and social life.

There was a growth of 5.6 per cent (171,618) in overseas student visa grants. This continued the trend of past years but can also in part be attributed to the number of students in low-risk countries who are increasingly taking advantage of the new electronic lodgement system for visa applications. Most sectors of the overseas student program recorded positive growth trends. Of note were the 40 per cent increase in the Non-Award sector and an increase in Study Abroad students.

INTERNATIONAL ENGAGEMENT

The department worked to strengthen the enabling environment for international cooperation on migration issues. The threat of terrorism increased the urgency and priority of this work.

An active and integrated program of bilateral, regional and multilateral engagement promoted ways to achieve more managed migration, reduce irregular movement, combat people smuggling and trafficking, and strengthen the system of international protection.

The department managed a program of capacity building to enable selected countries to strengthen border and visa systems and to detect and prevent illegal movements. It pursued more effective information sharing, as well as cooperation to verify the identity and nationality of illegal migrants, and to return people with no right to remain in Australia.

Within the region the department worked closely with other government agencies to foster an integrated response to managing people movement and to facilitate business mobility. The department initiated and participated actively in activities flowing from the Regional Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime (Bali Process), co-chaired by Australia and Indonesia. The department continued to lead Asia-Pacific Economic Cooperation (APEC) initiatives to improve immigration processing, passenger safety and border security. This complemented its other work to support whole-of-government negotiation objectives in relation to trade in services.

The department continued to promote comprehensive and innovative approaches to the management of refugee and asylum seeker flows. It sought the development of appropriate guidance for UNHCR engagement in the return of failed asylum seekers and the development of comprehensive responses to refugee caseloads.

BORDER SECURITY AND COMPLIANCE

The department continued its role in chairing the high-level people People Smuggling Task Force, which is a whole-of-government group looking at people-smuggling issues.

Eighty-two persons sought unauthorised entry by boat to Australia; 53 of whom landed within the migration zone. This compares with none in 2002-03 and over 4,000 per year in 1999-2000 and 2000-01.

There were around 18.6 million air and sea passenger and 1.1 million aircrew arrivals and departures, compared with around 16.6 million passenger and 1 million aircrew arrivals and departures in 2002-03.

A key element of Australia's secure and streamlined border processing is the Advance Passenger Processing (APP) system used to check passengers before they travel to Australia. By June 2004 the department had achieved APP coverage of some 96 per cent of all air arrivals, which included transit passengers for the first time.

In another first, APP was extended to the maritime industry, with all crew and passengers arriving on scheduled passenger cruise liners processed under APP. Since November 2003, sea crew have also been required to carry a passport and an identity document. This will assist the future extension of the APP system to cargo vessels.

The department continued to strive for improved border management systems in the Asia-Pacific region with the promotion of Advance Passenger Information (API) systems. Measures such as these help strengthen regional border control processes, which in turn enhance Australia's capacity to manage its own borders effectively.

The Migration Legislation Amendment (Identification and Authentication) Bill 2003 was passed by the Senate on 10 February 2004.

This Bill amends the *Migration Act 1958* to provide clearer and more comprehensive powers for the collection of identity information.

A number of measures were taken to help fight sex trafficking. A new visa regime was introduced to facilitate sex trafficking prosecutions and to provide for stay in Australia where there has been cooperation and there is a continuing need for protection. A compliance officer was placed in Thailand as a regional resource to focus on sex trafficking issues. General awareness training for the department and the Australian Federal Police (AFP) was conducted and AFP/DIMIA and inter-agency protocols for victim support initiatives were refined.

A Migration Agents Task Force was established to spearhead efforts against agents committing offences under the *Migration Act 1958*. The Task Force operates closely with other law enforcement agencies as well as compliance staff from the Australian Tax Office and Centrelink.

In February 2004 a national Immigration Dob-in Line was set up to enable the community to report suspected unlawful non-citizens, illegal workers and people breaching immigration laws.

DETENTION

The department continued to pursue formal arrangements with state authorities on education, policing, corrections, child welfare and health issues.

The year saw a marked reduction in the number of women and children held in detention and significant practical improvements to the arrangements for children.

Alternative detention options that helped reduce the number of children in detention included the establishment of further Residential Housing Projects (RHPs) for women and children and foster care arrangements for children with state child welfare authorities. In addition to this, bridging visas were granted to enable community care placements for children with special needs.

The majority of children in detention by 30 June 2004 had come to the attention of the department as the result of compliance activities; for example, their parents are visa overstayers. These children are normally in immigration detention only for a short period of time. They are detained only as a last resort where, for example, their parents are not cooperating with efforts to remove them from Australia.

The department made substantial submissions to the Human Rights and Equal Opportunity Commission (HREOC) Inquiry into Children in Immigration Detention, which was tabled in Parliament on 13 May 2004.

GSL (Australia) Pty Ltd (Group 4 Falck Global Solutions) replaced Australasian Correctional Management as the detention services provider at all immigration detention facilities. A greater level of reporting and clarity of service delivery expectations from the detention services provider was built into the contract with GSL.

SETTLEMENT

The budget delivered a major increase in funding for settlement services. Approximately \$268 million over four years, commencing in 2004-05, will be made available to DIMIA and other Commonwealth agencies, including some \$100 million to improve settlement services. These funds will deliver an increase in the existing array of settlement services and meet the demand for settlement services that will be generated by the larger humanitarian intake.

DIMIA programs that will benefit from these funds include: the Special Humanitarian Program; the Integrated Humanitarian Settlement Strategy; and the Special Preparatory Program of the Adult Migrant English Program.

CITIZENSHIP

The department continued to implement the Australian Citizenship Promotion Campaign. The twin objectives of the campaign were to promote the acquisition of Australian citizenship among eligible non-citizens and to enhance the profile, value and significance of Australian citizenship.

All indicators point to the continuing success of the campaign, with 91,233 people being granted citizenship. This was an increase of 9.8 per cent compared to 2002-03. There was a 396 per cent increase in media coverage of Australian Citizenship Day on 17 September 2003, compared to 2002. During the campaign period, 1 August to 30 September 2003, there was a 21 per cent increase in applications for citizenship compared to 2002.

MULTICULTURAL AFFAIRS

The department continued to promote the benefits of cultural diversity and community

harmony at a time of ongoing international tensions. It fostered numerous links within the broader community, with business and across governments. These links aimed to enhance community harmony and the sense of inclusiveness that is an essential element of Australia's multicultural society.

Some of the strongest media favourability ratings ever recorded for Harmony Day were reported in 2004. Governments, community organisations, schools and other educational institutions and the 19 Harmony Day partners sponsored a record number of events. Independent media monitoring advice suggests that Harmony Day has come to symbolise Australia's cultural diversity, inclusiveness and successful inter-community relations.

The department continued its work with private sector partners and stakeholders to promote the economic and business benefits of Australia's cultural diversity. This culminated in the launch of the "Productive Diversity National Business Consultation Report" and the "Diversity Training Kit" in March 2004. This work served to promote the different ways businesses can invest in diversity to their competitive advantage and manage diversity effectively.

INDIGENOUS AFFAIRS

On 15 April the government announced substantial changes to Indigenous affairs arrangements, including the way in which services would be delivered to Indigenous Australians from 1 July 2004.

The changes included the proposed abolition of ATSIC, new arrangements for ministerial oversight of Indigenous affairs, the dispersal of programs to a range of departments and the establishment of a new Office of Indigenous Policy Coordination within the department.

IMPROVING OUR BUSINESS PROCESSES

The department continued to examine ways of improving the way it does its business. A review of DIMIA's business processes and costs demonstrated that we are an efficient organisation which continues to strive for improvement.

The progressive repatriation to Australia of much of our migration and temporary entry work under the department's Global Working arrangements continued to realise customer service, efficiency and integrity gains. The department continued to enhance its electronic visa lodgement processes, with the aim of facilitating travel into and out of Australia for genuine travellers, overseas students and other temporary entrants.

Refurbishment of detention centres continued to facilitate better management of the centres. The department implemented an extensive contract-monitoring regime for the new detention centre management contract.

IT remained an important tool in supporting effective delivery across DIMIA business, as well as improving integrity, client services and global working. Investment in IT will be a priority in the next few years. In June 2004, Cluster 3 (a group of Australian Government Agencies receiving IT infrastructure and telecommunications services from Computer Sciences Corporation Limited and Optus) signed a two-year extension with Optus valued at around \$51 million for 2005-07. The Cluster will receive a significant reduction in pricing per annum under the extension arrangement whilst continuing to receive quality and flexibility in telecommunication services.

THE YEAR AHEAD

A new Skilled Independent Regional visa will commence on 1 July 2004 to support the entry of skilled migrants committed to living and working in regional Australia. A Regional Outreach Officer network will be established in all states and territories to promote opportunities to sponsor skilled migrants.

As part of the department's Global Working strategy, we propose to trial a new electronic lodgement facility for students in China, India and Thailand as well as for visitors from EU accession countries. Onshore eVisa student take-up rates will be monitored to gauge the success of the introduction of automatic student visa grants.

A focus in 2004-05 will be on major issues of identity. The department will look, along with other border agencies, at enhancing border detection technologies and will also examine measures to better identify applicants applying for visas in Australia or those held in detention. This will build upon significant developments in the use of biometrics at the border during 2003-04.

Helping those in the community who offer employment or services to identify the rights of non-citizens will be another major focus. The Entitlements Verification Online System is being piloted and provides the basis for people to use the Internet to check the visa class and conditions of those seeking employment or services.

2004-05 will also see greater use of data verification and data sharing to identify and locate those living or working in Australia unlawfully or unlawfully accessing services. In particular, greater data sharing with the Australian Tax Office and Centrelink will be pursued.

The Migration Agents Taskforce's investigations should also see a number of its investigations culminate in prosecutions and visa cancellations.

The department's maritime presence will be significantly increased, with nearly 20 additional specialist staff at the border and an additional eight staff to assist with maritime policy, training and referral. These maritime staff will, in particular, be directed at helping the Australian Customs Service increase the scrutiny of fraudulent documentation and identity. They will enhance the capability of seaport officers to conduct profiling of travellers and to deliver national seaport training.

The number of places in the Humanitarian Program will increase to 13,000 and within it the Refugee category will increase from its current level of 4,000 places to 6,000 places – an increase of 50 per cent. The 2004-05 Refugee allocation of 6,000 is the highest Refugee component of the Humanitarian Program since 1985-86.

Changes in the Humanitarian Program will see an increase of up to 2,000 in the number of refugee entrants eligible for Integrated Humanitarian Settlement Strategy (IHSS) services. SHP entrants will also be able to access a wider range of IHSS services and a range of new initiatives will provide additional settlement support to humanitarian entrants.

We will also expand the number of regional and rural locations where humanitarian entrants are settled.

The department will improve the efficiency and amenity of existing detention centres in Sydney (Villawood Immigration Detention Centre) and Melbourne (Maribyrnong

Detention Centre). The department will continue to pursue community-based alternative detention arrangements with community groups and non-government organisations.

As part of the whole-of-government approach to Indigenous affairs, 22 Indigenous Coordination Centres (ICCs) will be established in rural and remote locations and will be headed up by a DIMIA ICC manager. Staff from a number of APS agencies will work together in the ICCs and with local communities to deliver programs to Indigenous communities. The OIPC will also have offices in each capital city. The OIPC will provide the government with policy advice, coordinate Indigenous policy development and service delivery across the government, oversee relations with state and territory governments on Indigenous issues, monitor the performance of mainstream agencies, and manage a number of small programs.

Finally, I pay tribute to the dedication and professionalism of my colleagues in DIMIA. The diversity of languages, culture, background and skills which they bring to the organisation is an invaluable resource, as are their professionalism and commitment. These qualities have been, and will continue to be, directed to serving successive governments and, through them, the people of Australia.

Part 1 | Departmental Overview

ROLE AND FUNCTIONS

The department is responsible to two Ministers: the Minister for Immigration and Multicultural and Indigenous Affairs, Senator the Hon. Amanda Vanstone and the Minister for Citizenship and Multicultural Affairs, the Hon. Gary Hardgrave MP.

The portfolio consists of:

- Department of Immigration and Multicultural and Indigenous Affairs (DIMIA)
- Aboriginal and Torres Strait Islander Commission (ATSIC)
- Aboriginal and Torres Strait Islander Services (ATSIS)
- Aboriginal Hostels Limited (AHL)
- Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)
- Indigenous Business Australia (IBA)
- Indigenous Land Corporation (ILC)
- Migration Review Tribunal (MRT)
- Office of Evaluation and Audit (OEA)
- Refugee Review Tribunal (RRT)
- Registrar of Aboriginal Corporations (RAC)
- Torres Strait Regional Authority (TSRA).

The following non-statutory bodies advise the portfolio: the Council for Multicultural Australia, the Refugee Resettlement Advisory Council and the Immigration Detention Advisory Group. Membership of these non-statutory bodies at June 2004 was as follows:

Council for Multicultural Australia

Mr Benjamin Chow (NSW) Chair
 Dr Mustapha Alameddin (NSW)
 Ms Barbra Blomberg (TAS)
 Ms Catherine Boomer (ACT)
 Mr Julian Heath (NSW)
 Dr Helen Nugent (NSW)
 Mr David Peel (QLD)
 Ms Fofy Prouzos (ACT)

Ms Stavroula Raptis (SA)
 Assoc Prof Boni Robertson (QLD)
 Dr Colin Rubenstein (VIC)
 Ms Jillian Segal (NSW)
 Mr Yasser Soliman (VIC)
 Prof Tom Stannage (WA)
 Ms Karen Stewart (VIC)
 Supt Mick Van Heythuysen (NT)
 Ms Jenny Wong (QLD)
 Mr Wilson Wu (WA)

Refugee Resettlement Advisory Council

Major General Warren Glennly AO RFD ED (Retd) (Chair)
 Dr Mohammed Taha Alsalami
 Mr Paris Aristotle AM
 Mr Mohamed Abdi
 Ms Carmel Guerra
 Mr Kevin Liston
 Mrs Jeannie Mok
 Ms Margaret Piper
 Ms Irene Ross

Immigration Detention Advisory Group

The Hon John Hodges (Chair)
 Dr Mohammed Taha Alsalami
 Mr Paris Aristotle AM
 Air Marshal Ray Funnell AC (Retd)
 Major General Warren Glennly AO RFD ED (Retd)
 The Hon Gerry Hand
 Professor Harry Minas

There is also extensive consultation with the Migration Agents Registration Authority (MARA).

During the year, one external reference group was consulted in the following area:

Immigration Advice and Application Assistance Scheme

Mr Ian Spicer AM (Chair)

The Hon Lou Lieberman

The Hon Dr Gary Johns

Mr Michael Tidball

Mr Ray Brown

In addition, the portfolio represents the Commonwealth interest in one company limited by guarantee - the National Accreditation Authority for Translators and Interpreters (NAATI) Limited.

The department's mission is *Australia, enriched through the entry and settlement of people; valuing its heritage, citizenship and cultural diversity; and recognising the special place of Indigenous people as its original inhabitants.*

The department manages the permanent and temporary entry of people to Australia, enforces immigration law, settles migrants and refugees, promotes the benefits of citizenship and cultural diversity and works with other portfolio agencies and departments to advance the social, economic and cultural interests and status of Indigenous people.

The tasks assigned to the portfolio are:

- arrangements for the settlement of migrants and humanitarian entrants, other than migrant child education
- border (immigration) control
- citizenship
- entry, stay and departure arrangements for non-citizens
- ethnic affairs
- Indigenous affairs and reconciliation
- multicultural affairs.

The services provided by the department overseas and in Australia include:

- issuing visas for migrants and temporary entrants (eg tourists, students and business visitors)
- processing people moving into and out of Australia
- assessing the character, health and bona fides of applicants applying for entry into Australia
- meeting Australia's international protection obligations and contributing to the resettlement of refugees and those in humanitarian need through the delivery of the Humanitarian Program
- locating, detaining and removing unlawful non-citizens and non-citizens found in breach of visa conditions or not to be of good character
- identifying and reducing irregular migration, people smuggling, trafficking in persons and other immigration malpractice and fraud
- increasing the ability of eligible settlers, particularly the recently arrived, to participate in Australian life, through settlement programs including English language tuition and translating and interpreting services
- promoting the value of Australian citizenship and making decisions on citizenship status
- contributing to maintaining and further enhancing an appreciation of Australia's cultural diversity within a framework of national unity
- providing policy advice on Indigenous issues and reconciliation.

PORTFOLIO AGENCIES

The role of the Aboriginal and Torres Strait Islander Commission (ATSIC) was for some years to develop policies and manage programs to overcome disadvantage and to improve the economic status and social well-being of Aboriginal people and Torres Strait Islanders living outside the Torres Strait region. The government announced in April 2004 major changes to Indigenous arrangements, including the proposed abolition of ATSIC.

From 1 July 2003, all individual funding decisions concerning programs delivered by ATSIC were made by a new executive agency, Aboriginal and Torres Strait Islander Services (ATSIS).

Aboriginal Hostels Limited (AHL) provides temporary accommodation services for Aboriginal and Torres Strait Islander people in areas of greatest need.

The Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) promotes, publishes and conducts research into fields relevant to Aboriginal and Torres Strait Islander studies and maintains a cultural resource collection.

Indigenous Business Australia (IBA) assists and enhances Aboriginal and Torres Strait Islanders' economic advancement primarily through facilitating Aboriginal and Torres Strait Islander equity involvement in sound commercial ventures and providing a framework to promote greater involvement by Indigenous Australians in small business.

The Indigenous Land Corporation (ILC) aims to provide economic, environmental, social and cultural benefits for Aboriginal

and Torres Strait Islander people by assisting in the acquisition and management of an Indigenous land base.

The Migration Review Tribunal (MRT) is an independent merits review tribunal established to provide fair, just, economical, informal and quick merits review of decisions of the department to refuse or cancel migration visas to non-citizens in Australia.

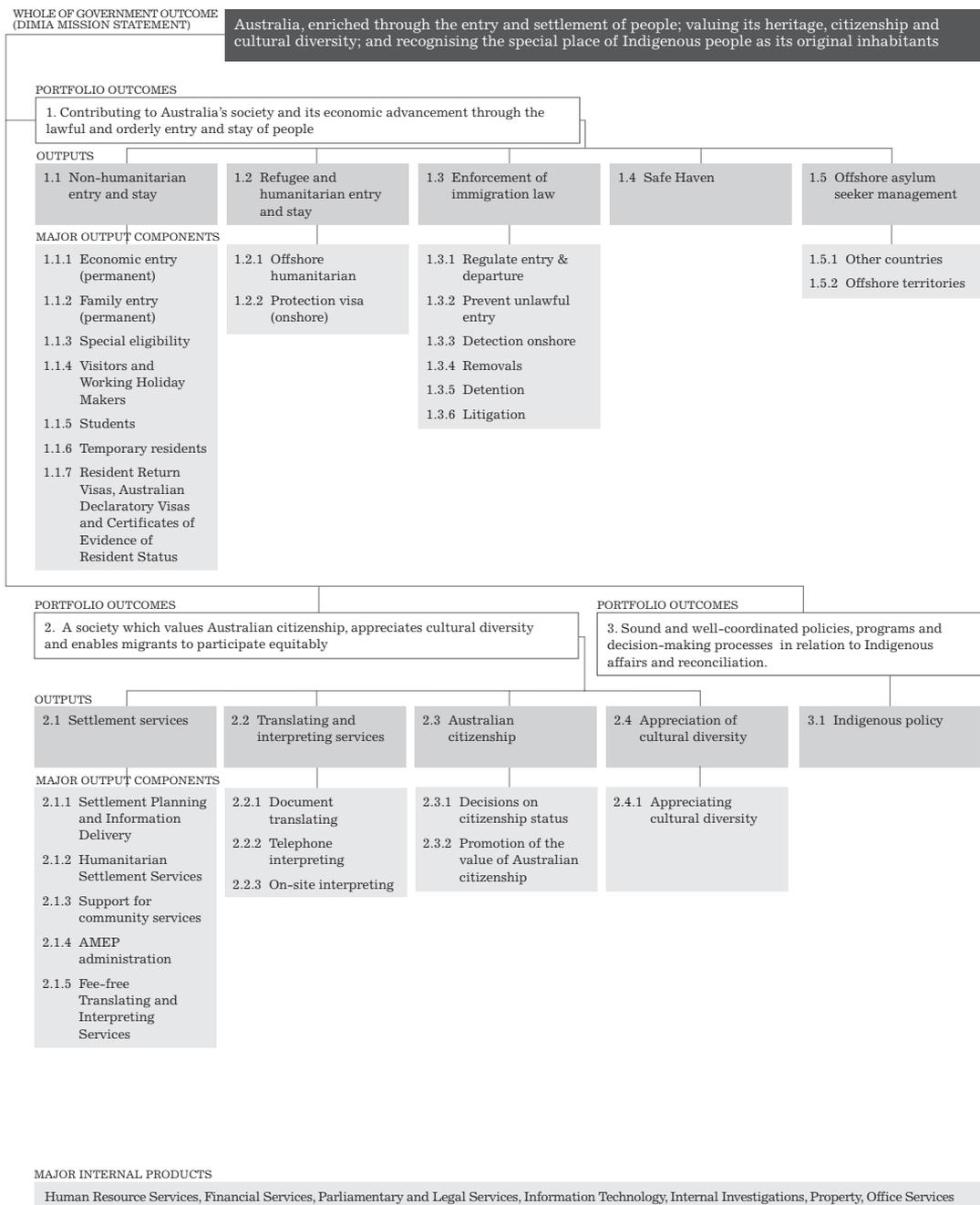
The Office of Evaluation and Audit (OEA) conducts evaluations of all major ATSIC/ATSIS programs on a rolling basis as well as programmed internal audit services.

The Refugee Review Tribunal (RRT) is an independent merits review tribunal established to provide fair, just, economical, informal and quick merits review of decisions of the department to refuse or cancel protection visas to non-citizens in Australia.

The Registrar of Aboriginal Corporations (RAC) is an independent statutory office holder appointed by the Minister. The Registrar administers the *Aboriginal Councils and Associations Act 1976*, which provides Aboriginal and Torres Strait Islander communities, groups and organisations with a means of incorporation including the flexibility to take account of Indigenous customs and traditions.

The Torres Strait Regional Authority (TSRA) formulates, implements and monitors the effectiveness of programs for Torres Strait Islanders and Aboriginal persons living in the Torres Strait area and provides advice to the Minister regarding Torres Strait Islander regional issues.

OUTCOME AND OUTPUT STRUCTURE



ORGANISATION STRUCTURE

Minister for Immigration and Multicultural and Indigenous Affairs: Sen the Hon Amanda Vanstone Minister for Citizenship and Multicultural Affairs: The Hon Gary Hardgrave MP	
Department of Immigration and Multicultural and Indigenous Affairs	
Deputy Secretary Ed Killesteyn PSM	Secretary Bill Farmer
Deputy Secretary Philippa Godwin	
Special Counsel (AGS) Ian Deane	Indigenous Communities Coordination Taskforce Executive Director: Dianne Hawgood
Financial Strategy Division - Chief Financial Officer: Louise Gray	
Border Control and Compliance Division - Executive Coordinator: Vincent McMahon PSM	
Identity Fraud and Biometrics: Janette Haughton	Compliance and Analysis: Yole Daniels
Entry Policy and Systems: Todd Frew	Offshore Asylum Seeker Management: John Okely
Business Solutions Group - Chief Information Officer: Cheryl Hannah	
IT Business Support and Governance: Michele Fuster	IT Infrastructure and Resource Management: Narelle Dotta
Applications Systems: Matt Kennedy	Client and Business Systems: Chris Gill A/g
Citizenship and Multicultural Affairs Division - First Assistant Secretary: Peter Vardos PSM	
Citizenship and Language Services: Mary-Ann Ellis	Multicultural Affairs: Thu Nguyen-Hoan PSM
Settlement: Jennifer Bryant	
Corporate Governance Division - First Assistant Secretary: John Moorhouse	
Overseas Coordination and Client Services: Ian Parmeter	Human Resource Management: Jim O'Callaghan
Property and Performance Improvement: Lesley Daw	Reporting and Corporate Information Systems: Fran Parker
Migration and Temporary Entry Division - First Assistant Secretary: Abul Rizvi PSM	
Business: Bernie Waters	Migration: Neil Mullenger A/g
Delivery Innovation: Jacki Hickman A/g	Temporary Entry: Arja Keski-Nummi
Office of Aboriginal and Torres Strait Islander Affairs - Executive Coordinator: Peter Vaughan	
Land Legal and Economic Development: Kathryn Shugg	Social Programs and Reconciliation: Bryan Palmer
Parliamentary and Legal Division - First Assistant Secretary: Des Storer	
Legal Services and Litigation: John Evers	Ministerial and Communications: Kate Poope
Visa Framework: Doug Walker	
Refugee, Humanitarian and International Division - First Assistant Secretary: Peter Hughes	
Humanitarian: Robyn Bricket	International Cooperation: Rosemary Greaves
Onshore Protection: Robert Illingworth	
Unauthorised Arrivals and Detention Division - First Assistant Secretary: Steve Davis	
Detention Contract and Infrastructure: David Doberty	Detention Policy: Garry Fleming
Unauthorised Arrivals and Detention Services: Jim Williams	
State/Territory Offices	
ACT & Regions Nelly Siegmund	South Australia John Matthews
New South Wales Nick Nicholls	Tasmania James McCormack
Northern Territory Tony Tucker	Victoria John Williams
Queensland Karen Stanley	Western Australia Jose Alvarez PSM
Overseas Regions	
Bangkok Christine McPaul	New Delhi Greg Kelly
North Asia Christine Sykes	Pretoria Paula Kansky
Beirut Peter Speldewinde	Europe Linda Urquhart
Jakarta: Greg Mills	Washington Janet Mackin
UK and EU Liaison (Based in London) David Watt	South Pacific Peter Watters

Agencies
Aboriginal and Torres Strait Islander Commission Chair: Lionel Quatermaine A/g
Aboriginal and Torres Strait Islander Services CEO: Wayne Gibbons PSM
Aboriginal Hostels Limited Chair: Elaine McKeon AO General Manager: Keith Clarke
Australian Institute of Aboriginal and Torres Strait Islander Studies Chair: Mick Dodson AM A/g Principal: Steve Larkin
Indigenous Business Australia Chair: Joseph Elu General Manager: Ron Morony PSM
Indigenous Land Corporation Chair: Shirley McPherson General Manager: David Galvin
Torres Strait Regional Authority Chair: John (Tashie) Kris CEO: Mike Fordham

Tribunals
Migration Review Tribunal Principal Member: Steve Karas
Refugee Review Tribunal Principal Member: Steve Karas

DISCUSSION/ANALYSIS OF FINANCIAL PERFORMANCE

From 2001-02, the department was largely funded on the basis of a Purchasing Agreement under which actual funding requirements varied depending upon performance and delivery of outputs. However, in the 2003-04 Budget context, it was recognised that, as a result of changes to government policy and the department's operating environment, such as the dramatic reduction in unauthorised boat arrivals and the changed international security environment, the department's funding framework should be re-examined.

The Purchasing Agreement was ceased pending the outcomes of a comprehensive review of the department's business processes and costs, with the outcome from the review and the department's resourcing requirements beyond 2003-04 to be considered in the 2004-05 Budget.

The end of year results for the department in 2003-04 show an operating deficit of some \$7.7 million. This reflects the combined impact of a number of factors, including the impact of increased IT contract costs and the mismatch between Integrated Humanitarian Settlement Strategy (IHSS) and Litigation revenue and related expenses, where revenues were received in 2002-03 and related expenses incurred in 2003-04. These issues were also factored in to the review of the department's funding taken back to Budget in 2004-05.

It is worth noting that the operating deficit would have been greater had the department not received an asset transfer from the Department of Transport and Regional Services in relation to IRPC related housing on Christmas Island.

There were two significant features to report for the department's financial outcome for 2003-04:

- the continuing low level of unauthorised boat arrivals (UBAs) resulted in a net reduction in expenses relative to budget of some \$113 million (\$67 million against Outcome 1 Administered expenses and \$47 million against departmental outputs - Output 1.5). The budget included a funding provision to process an estimated 1,000 new UBAs and to manage those already in offshore processing centres. However, only 53 new UBAs sought Australia's protection during 2003-04 and a further 29 possible UBAs were returned without seeking protection
- the re-attribution of overheads across all departmental outputs. The re-attribution was undertaken as part of the Review of DIMIA's Business Processes and Costs (see page 187) and was based on an assessment of overheads using the department's comprehensive Activity Based Costing system. The re-attribution increased the share of overheads attributed to some outputs, notably Output 1.1 and 3.1, while it reduced the allocation to others, notably Output 2.1.

Another feature to report is an under-expenditure against Administered expenses for Outcome Two due to lower levels of activity in the Adult Migration English Program as some clients have been slow to make the transition to the new contracted service provider engaged from July 2003.

On 15 April 2004 the Prime Minister announced new arrangements for the delivery of services and programs for Indigenous and Torres Strait Islander peoples. For 2004-05, funding relating to these programs has been transferred to the department pending formal redistribution to other agencies. The funding is reported in the department's Budget 2004-05 against Outcome Four and Outcome Five. As funding was provided to ATSIC and ATSI in 2003-04 there are no corresponding values for the department in the Resource Summary Table.

RESOURCES SUMMARY TABLES

	BUDGET ^(a) 2003-04 \$'000s	ACTUAL EXPENSES 2003-04 \$'000s	VARIATION (COLUMN 2 MINUS COLUMN 1)	BUDGET 2004-05 \$'000s
OUTCOME 1 - CONTRIBUTE TO AUSTRALIA'S SOCIETY AND ITS ECONOMIC ADVANCEMENT THROUGH THE LAWFUL AND ORDERLY ENTRY AND STAY OF PEOPLE				
Administered Expenses - (including third party outputs) ^(b)	186,786	118,873	(67,913)	148,973
Total Administered Expenses	186,786	118,873	(67,913)	148,973
Price of Departmental Outputs				
Output 1.1: Non-humanitarian entry and stay	244,594	282,445	37,851	308,176
Output 1.2: Refugee and humanitarian entry and stay	53,405	48,187	(5,218)	56,971
Output 1.3: Enforcement of immigration law	348,427	343,221	(5,206)	309,218
Output 1.4: Safe Haven	0	340	340	300
Output 1.5: Offshore asylum seeker management	69,384	22,432	(46,952)	48,442
Total Output 1	715,810	696,625	(19,185)	723,107
Revenue from Government (Appropriation) for Departmental Outputs	680,437	633,639	(46,798)	701,244
Revenue from Other Sources	35,373	47,912	12,539	21,863
Total Price of Outputs	715,810	681,551	(34,259)	723,107
Total for Outcome 1 (Total Price of Outputs & Administered Expenses)	902,596	800,424	(102,172)	872,080
			2003-04	2004-05
Average Staffing Levels			4,064	4,245
OUTCOME 2 - A SOCIETY WHICH VALUES AUSTRALIAN CITIZENSHIP, APPRECIATES CULTURAL DIVERSITY AND ENABLES MIGRANTS TO PARTICIPATE EQUITABLY				
Administered Expenses - (Including third party outputs)	147,114	130,917	(16,197)	170,779
Total Administered Expenses	147,114	130,917	(16,197)	170,779
Price of Departmental Outputs				
Output 2.1: Settlement services	69,829	56,945	(12,884)	85,983
Output 2.2: Translating and interpreting services	22,282	19,452	(2,830)	11,366
Output 2.3: Australian citizenship	20,934	28,628	7,694	26,624
Output 2.4: Appreciation of cultural diversity	13,120	11,731	(1,389)	10,543
Total Output 2	126,165	116,756	(9,409)	134,516
Revenue from Government (Appropriation) for Departmental Outputs	113,169	113,168	(1)	120,943
Revenue from Other Sources	12,996	13,692	696	13,573
Total Price of Outputs	126,165	126,860	695	134,516
Total for Outcome 2 (Total Price of Outputs & Administered Expenses)	273,279	247,673	(25,606)	305,295
			2003-04	2004-05
Average Staffing Levels			724	759
OUTCOME 3 - SOUND AND WELL-COORDINATED POLICIES, PROGRAMS AND DECISION-MAKING PROCESSES IN RELATION TO INDIGENOUS AFFAIRS AND RECONCILIATION				
Administered Expenses - (Including third party outputs)	20,554	18,799	(1,755)	4,500
Total Administered Expenses	20,554	18,799	(1,755)	4,500
Price of Departmental Outputs				
Output 3.1: Sound and well-coordinated policies, programs and decision-making processes in relation to indigenous affairs and reconciliation	3,381	6,084	2,703	5,908
Revenue from Government (Appropriation) for Departmental Outputs	3,351	3,351	-	5,807
Revenue from Other Sources	30	53	23	101
Total Price of Outputs	3,381	3,404	23	5,908
Total for Outcome 3 (Total Price of Outputs & Administered Expenses)	23,935	22,203	(1,732)	10,408
			2003-04	2004-05
Average Staffing Levels			38	40

	BUDGET ^(a) 2003-04 \$'000s	ACTUAL EXPENSES 2003-04 \$'000s	VARIATION (COLUMN 2 MINUS COLUMN 1)	BUDGET 2004-05 \$'000s
OUTCOME 4 - THE ECONOMIC, SOCIAL AND CULTURAL EMPOWERMENT OF ABORIGINAL AND TORRES STRAIT ISLAND PEOPLES IN ORDER THAT THEY MAY FREELY EXERCISE THEIR RIGHTS EQUITABLY WITH OTHER AUSTRALIANS.				
Administered Expenses - (Including third party outputs)	-	-		190,864
Total Administered Expenses	-	-		190,864
Price of Departmental Outputs				
Output 1: Policy and Advocacy	-	-		19,715
Output 2: Evaluation and audit				293
Output 3: Home loans				17,368
Total output 4.1 to 4.3				37,376
Revenue from Government (Appropriation) for Departmental Outputs	-	-		9,696
Revenue from Other Sources	-	-		27,680
Total Price of Outputs	-	-		37,376
Total for Outcome 4 (Total Price of Outputs & Administered Expenses)	-	-		228,240
			2003-04	2004-05
Average Staffing Levels				92
OUTCOME 5 - EFFECTIVE DELIVERY OF POLICY ADVOCACY SUPPORT AND PROGRAM SERVICES TO ABORIGINAL AND TORRES STRAIT ISLAND PEOPLES.				
Administered Expenses - (Including third party outputs)	-	-		1,022,681
Total Administered Expenses	-	-		1,022,681
Price of Departmental Outputs				
Output 1: Promotion of Cultural Authority	-	-		20,545
Output 2: Advancement of Indigenous Rights and Equity				20,928
Output 3: Improvement to Social and Physical Wellbeing				51,007
Output 4: Economic Development				58,957
Output 5: Capacity Building and Quality Assurance				24,544
Total Output 5.1 to 5.5				175,981
Revenue from Government (Appropriation) for Departmental Outputs	-	-		173,035
Revenue from Other Sources	-	-		2,946
Total Price of Outputs	-	-		175,981
Total for Outcome 5 (Total Price of Outputs & Administered Expenses)	-	-		1,198,662
			2003-04	2004-05
Average Staffing Levels				1,242

(a) Full year budget including additional estimates

(b) Includes bad debts write-off of \$57 million in 2004 budget (actual \$62 million)

Part 2 | Report on Performance

PERFORMANCE INDICATOR INDEX

The following table provides a quick reference between the results published here and the relevant Performance Indicator in the 2003-04 Portfolio Budget Statements.

Performance sub outputs	2003-04 PBS/PAES page reference	2003-04 Annual Report page reference
Outcome 1 Administered Items	PBS 80-81 PAES 39	103-119
Output Group 1.1 - Non Humanitarian Entry and Stay	PBS 81-85 PAES 43-44	36-60
Output Group 1.2 - Refugee and Humanitarian Entry and Stay	PBS 86 PAES 45	67-72
Output Group 1.3 - Enforcement of Immigration Law	PBS 87-88 PAES 46	78-96
Output Group 1.4 - Safe Haven		97
Output Group 1.5 - Offshore Asylum Seeker Management	PBS 89	99-102
Outcome 2 Administered Items	PBS 96 & 104-105 PAES 48	150-163
Output Group 2.1 - Settlement Services	PBS 105 PAES 50	127-136
Output Group 2.2 - Translating and Interpreting Services	PBS 106 PAES 51	137-140
Output Group 2.3 - Australian Citizenship	PBS 107 PAES 51	141-144
Output Group 2.4 - Appreciation of Cultural Diversity	PBS 108	145-149
Outcome 3 Administered Items	PBS 117	172-178
Output Group 3.1 - Indigenous Policy	PBS 117 PAES 52	167-171

PERFORMANCE INFORMATION

INTRODUCTION

Performance reporting in this Annual Report is based on the outcomes and outputs structure as set out in the Portfolio Budget Statements (PBS)/Portfolio Additional Estimates Statements (PAES) 2003-04 and on page 20 of this report.

The department has three outcomes:

- Outcome One - Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people
- Outcome Two - A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably
- Outcome Three - Sound and well-coordinated policies, programs and decision-making processes in relation to Indigenous affairs and reconciliation.

These outcomes are the results, impacts or consequences of actions by DIMIA on the Australian community. The outcomes are expressed in relatively broad, societal terms. While the department is the primary driver of the three outcomes, it works closely with other agencies. These inter-relationships with other agencies are recognised in the outcome reports that follow in this Part.

Each outcome report includes the following:

- a statement of the outcome, a list of supporting departmental outputs and a brief description about what is involved in the outcome
- a performance table setting out the effectiveness measures and actual results achieved across the outcome

- highlights of key elements of work towards achieving the outcome
- an assessment of performance against each departmental output (goods and services the department provides for or on behalf of the government) and its components
- a summary of each departmental administered item (those items of expenditure controlled by government and managed by the department on behalf of the government), including where appropriate, the objective, description and analysis of performance.

There has been ongoing review of the outcomes and outputs structure and refinements have been made where required to reflect changing work. Overall the framework, first developed in 1998, has proven to be robust.

The structure of this report has been developed to improve readability by ensuring a clear relationship between planned achievements detailed in the PBS/PAES and the actual results achieved. An attempt has been made to strike a balance between the need to describe our activities and to assess their impact on the achievement of outputs and outcomes. In some parts of our work, assessing the impact is more difficult than others, but it is an ongoing focus for improvement.

Details of performance against the department's client service charter can be found at the end of Part 2 (pp179-180).

OUTCOME 1

Outcome One seeks to *contribute to Australia's society and its economic advancement through the lawful and orderly entry and stay of people.*

The supporting departmental outputs are:

- 1.1 Non-Humanitarian Entry and Stay
- 1.2 Refugee and Humanitarian Entry and Stay
- 1.3 Enforcement of Immigration Law
- 1.4 Safe Haven
- 1.5 Offshore Asylum Seeker Management.

Under this outcome the department manages the annual Migration (non-Humanitarian) and Humanitarian Programs, temporary entry, litigation, detention and the prevention of unlawful entry.

In 2003-04 the department further built on its expanding Global Working initiative and continued to improve the methods under which it manages the lawful entry and stay of persons arriving in Australia.

The number of unauthorised boat arrivals and persons held in immigration detention continues to remain low compared with previous years. The department continued strenuous efforts to minimise the number of children in immigration detention. A reduction in the demand for humanitarian places onshore from persons in the community and in immigration detention led to an increase in the number of humanitarian places available to persons applying offshore under the Special Humanitarian Program in 2003-04.

The complex nature of this outcome requires a coordinated approach to the management of operational and administrative activities. In 2003-04 the department continued to focus on improving internal coordination, planning and program service delivery.

OUTCOME ONE PERFORMANCE - EFFECTIVENESS MEASURES AND RESULTS

MEASURES	RESULTS
The extent to which Australia is economically, socially and culturally enriched by migration and temporary entry	
The extent to which entry of migrants results in a positive impact on living standards as measured by models of the economic impact of immigration.	Modelling by Econtech shows that continuation of the current Migration Program compared with no Program is estimated to deliver an increase in living standards of around \$850 per person (in 2000-01 prices) by 2021-22.
The extent of positive impact on the Commonwealth and State/Territory budgets from immigration including long term entry as measured by models of the impact of immigration on the Commonwealth and State/Territory budgets.	<p>Modelling by Access Economics estimates that the Australian Government Budget could conservatively gain around \$1.8 billion over four years or \$5.6 billion over ten years (in 2003-04 prices) from the planned 2003-04 Migration Program alone. If the Program was continued at the 2003-04 level, the cumulative benefit could be around \$4 billion over four years, and \$29 billion over ten years.</p> <p>For every 1,000 long-term temporary business entrants, Access Economics estimates the Commonwealth Budget nets around \$55.9 million over four years.</p>
<p>The extent to which migrants participate in the labour force, are employed and help to address skill shortages as measured by:</p> <ul style="list-style-type: none"> - job survey reports produced by the Department of Employment and Workplace Relations (DEWR) - the Longitudinal Survey of Immigrants to Australia (LSIA) - the percentage of General Points Tested Skilled Migrants with an occupation on the Migration Occupations in Demand List (MODL) - Australian Bureau of Statistics (ABS) Labour Force survey. 	<p>Around 80 per cent of skilled migrants arriving in 2003-04 were either Managers and Administrators, Professionals or Associate Professionals. According to the DEWR Australian Jobs Update, persons in these occupational groups have “Good” or “Very Good” future job prospects.</p> <p>Over 62 per cent of visas granted under the 2003-04 Migration Program were in the Skill Stream. According to the second LSIA, principal applicants in the Skill Stream have an unemployment rate of six per cent and a participation rate of 90 per cent 18 months after arrival. These results, which are on par with, if not better than, the Australian-born average, demonstrate that Skill Stream migrants are quickly finding employment, and therefore have skills that are in demand in the Australian labour market.</p> <p>The percentage of migrants scoring MODL points has fallen, partly due to the removal of ICT and Accountants from MODL during 2003-04. Onshore students, who primarily do not have work experience, are not scoring these points. Overall number is 1,824 (to May 2004) or seven per cent of Skilled Independent and SAS; in the offshore category, 1,658 or 15 per cent; but onshore the number is 166 or one per cent.</p> <p>ABS Labour Force data comparing unemployment by birthplace (Australian-born, born in main English speaking countries, born in other than main English speaking countries) shows that unemployment has reduced for each group in recent years, with the greatest improvement being for migrants born in other than main English speaking countries. Decline in participation for the full stock of migrants born in other than main English speaking countries is partly explained by the ageing of this group. Participation for the other groups remains steady.</p>

<p>The extent to which divergence in the unemployment rates of migrants from English-speaking countries, non-English speaking countries and Australian born, is minimised.</p>	<p>Unemployment rates for all three groups have been steadily converging in recent years. In 1993-94 the unemployment rate for migrants born in other than main English speaking countries was 5.5 percentage points higher than the Australian-born unemployment rate. In 2003-04 it is only 1.4 percentage points higher. Unemployment rates for migrants born in main English speaking countries have averaged just under one percentage point lower than the Australian-born rate over the same period.</p>
<p>Extent to which visiting overseas students and tourists support sustainable growth in education and tourism service industries.</p>	<p>Tourism and International education are two of the largest services export industries in Australia. Service delivery strategies continue to be developed that underpin sustainable growth in these areas along with high levels of integrity ensuring that these industries gain maximum benefit from arrivals to Australia. Approval rates continue to increase. The non-return rate for visitors is now at an historically low rate (1.47 per cent). New modes of service delivery such as enhanced electronic lodgement processes and greater number of locations for lodgement of visa applications have greatly supported these measures.</p>
<p>Diversity of nationalities visaed in the Migration and Temporary Entry program.</p>	<p>The 2003-04 Migration Program outcome of 114,360 included in excess of 70 citizenships with more than 100 migrants. This is consistent with 2002-03. The top five citizenships as a percentage of the program were United Kingdom (19.3 per cent), Peoples' Republic of China (11.9 per cent), India (9.9 per cent), Republic of South Africa (5.6 per cent) and the Philippines (4.0 per cent).</p>
<p>The extent to which there is adherence to Australian entry and stay requirements</p>	
<p>Non-return rate for visitors relative to the approval rate for visitor applications.</p>	<p>Non-return rate in 2003-04 was 1.47%. Approval rate in 2003-04 was 98.4%</p>
<p>Proportion of visitor and other temporary entrants who apply for a protection visa.</p>	<p>The proportion of visitor visa holders applying for Protection Visas after they arrived in Australia decreased to 0.07 per cent in 2003-04 (from 0.10 per cent in 2002-03).</p>
<p>Ratio of the number of people located for non-compliance with temporary entry visa conditions including those refused entry at the border to the average number of temporary entrants in Australia.</p>	<p>1:33</p>

The extent to which public health and safety is protected through immigration screening																																																	
<p>The incidence of tuberculosis relative to the percentage of overseas born in the Australian population compared to the same ratio for other major developed countries.</p>	<p>The table below demonstrates Australia's low rate of incidence of Tuberculosis compared to the size of the overseas born population. This indicates the success of Australia's health screening procedures for prospective migrants. (See Table 1 below)</p> <p>Table 1</p> <table border="1"> <thead> <tr> <th>Country</th> <th>Population (000's)</th> <th>O/S Born Population (%)</th> <th>TB Cases Reported</th> <th>TB Rate (Cases per 100,000)</th> <th>TB Cases as a % of O/S Born Population</th> </tr> </thead> <tbody> <tr> <td>Australia</td> <td>19,663</td> <td>23.1</td> <td>1013</td> <td>5</td> <td>0.022</td> </tr> <tr> <td>Canada</td> <td>31,414</td> <td>18.2</td> <td>1556</td> <td>5</td> <td>0.027</td> </tr> <tr> <td>France</td> <td>59,482</td> <td>5.6</td> <td>5709</td> <td>10</td> <td>0.171</td> </tr> <tr> <td>Germany</td> <td>82,456</td> <td>8.9</td> <td>6931</td> <td>8</td> <td>0.094</td> </tr> <tr> <td>Sweden</td> <td>8,925</td> <td>5.3</td> <td>412</td> <td>4</td> <td>0.087</td> </tr> <tr> <td>UK</td> <td>59,008</td> <td>4.5</td> <td>7557</td> <td>12</td> <td>0.283</td> </tr> <tr> <td>US</td> <td>288,600</td> <td>11.5</td> <td>15055</td> <td>5</td> <td>0.045</td> </tr> </tbody> </table> <p>Sources: WHO Report 2004: Global Tuberculosis Control OECD, Quarterly Labour Force Statistics, March 2004 Available: http://www.oecd.org/dataoecd/62/38/2698549.pdf OECD, Trends in International Migration, 2004 Available: http://www.oecd.org/dataoecd/7/49/24994376.pdf</p>	Country	Population (000's)	O/S Born Population (%)	TB Cases Reported	TB Rate (Cases per 100,000)	TB Cases as a % of O/S Born Population	Australia	19,663	23.1	1013	5	0.022	Canada	31,414	18.2	1556	5	0.027	France	59,482	5.6	5709	10	0.171	Germany	82,456	8.9	6931	8	0.094	Sweden	8,925	5.3	412	4	0.087	UK	59,008	4.5	7557	12	0.283	US	288,600	11.5	15055	5	0.045
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The extent to which humanitarian migration to Australia is administered with integrity, in line with Government planning levels																																																	
<p>Extent to which the number of humanitarian visas granted is in line with government planning levels.</p>	<p>13,851 visas granted against a planned program of 12,000 places and nominal available places of 12,891(*); consisting of:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Available Places</th> <th>Visa Grant</th> </tr> </thead> <tbody> <tr> <td>Refugee</td> <td>3,575</td> <td>4,134</td> </tr> <tr> <td>Special Humanitarian Program</td> <td>8,616</td> <td>8,927</td> </tr> <tr> <td>Protection</td> <td>700</td> <td>788</td> </tr> <tr> <td>Temporary Humanitarian Concern</td> <td>-</td> <td>2</td> </tr> </tbody> </table>	Category	Available Places	Visa Grant	Refugee	3,575	4,134	Special Humanitarian Program	8,616	8,927	Protection	700	788	Temporary Humanitarian Concern	-	2																																	
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<p>The extent to which integrity measures are in place.</p>	<p>DIMIA places specialist compliance officers in posts with high risk caseloads to assist in identifying and combating visa fraud and malpractice. These officers work closely with operations staff at posts to provide anti-fraud and integrity support to visa decision-makers. To assist this process, the IRIS visa system was enhanced to capture fraud related data from cases where this is detected, and compliance officers have customised tools to analyse and report on the data.</p>																																																

(*) Humanitarian Program places can be managed flexibly across program years with places being able to be carried over to the next year or brought forward from the next year. From 2004-05, 960 places were brought forward to meet demand for cases ready for finalisation.

Extent to which Australia contributes to international efforts to address the plight of refugees and other people of concern and meets its international protection obligations	
<p>Level of support for the international protection framework as measured by the level of Australia’s contribution to international resettlement, Australia’s representation in key international fora and effectiveness of implementation of domestic protection legislation.</p>	<p>Australia continued to play a major role in key international forums in promoting comprehensive and innovative solutions to international protection problems and in seeking solutions that minimise abuse of the protection framework and support managed humanitarian movement where possible.</p> <p>Australia was represented at ministerial level at the UNHCR Executive Committee and in bilateral dialogue on these issues with relevant regional countries. Australia was also represented at senior official level in a range of other UNHCR forums and at meetings of bodies such as the Inter-Governmental Consultations (IGC) on Asylum, Refugee and Migration policies and the Asia Pacific Consultations on Refugees, Displaced Persons and Migrants (APC).</p> <p>Australia continues to operate one of the three largest humanitarian resettlement programs in the world and maintains an effective onshore protection system.</p>

KEY HIGHLIGHTS – NON-HUMANITARIAN ENTRY AND STAY

PROGRESS WITH GLOBAL WORKING

Work continued on implementing global working arrangements. Under these arrangements responsibility for processing a range of visa applications is transferred (repatriated) to specialised centres in Australia. Clients either apply directly to the processing centres in Australia, or for an increasing number of visa subclasses, over the Internet. Applications that may be of concern are referred to overseas posts for further checking. Over the past few years, global working has allowed the department to improve its service to clients, and at the same time manage increasing numbers of visa applications and growing levels of fraud.

Repatriation and eVisas

During 2003-04, the following offshore visas were repatriated for processing in Australia:

- Distinguished Talent and Special Eligibility
- Temporary Business (long stay)
- Professional Development
- Medical Practitioner
- Work and Holiday Maker
- Sponsored Business Visitor (short stay)
- partial repatriation was also piloted for certain applications under the Special Humanitarian Program, subclass 202 of the Offshore Humanitarian Program.

Two new electronic lodgement options were introduced in 2003-04:

- Temporary Business (long stay)
- Health processing pilot (Singapore students).

These add to an already extensive range of visas that have been either repatriated or made available over the Internet.

Benefits of global working arrangements

Centralising processing for offshore migration categories in onshore centres has continued to deliver significant improvements in service to clients, including overall reduced processing times.

The growing number of offshore visas being processed onshore allows closer liaison with sponsors and other stakeholders in Australia. For example, when the new contributory parent visa category was introduced in July 2003, the Perth Offshore Parents Centre which is now responsible for all offshore parent visa processing, was well placed to provide expert advice on options for Australian sponsors anxious to be reunited with their parents.

Global working arrangements have delivered enhanced integrity checking. For example, the number of incidences of fraud detected in general skilled migration applications this year was just over 600, whereas for the two years previously the total was 400. This was achieved as a result of close cooperation between staff in Adelaide and at key posts overseas.

Systems and eVisas

New IT systems and functions have been developed to support the integrity checking processes. This enables staff in onshore processing centres to use electronic means to request posts to undertake checks of applications identified as higher risk, including interviews, site visits and verification of documents and other information. Results of checks are returned electronically and the system is also able to provide comprehensive reporting on fraud outcomes that can be used to identify risk characteristics.

Take-up rates have increased significantly for eVisas as clients realise the convenience and efficiency of this service option. For example, 93 per cent of all Working Holiday Maker visas were applied for over the Internet in 2003-04 compared with 48 percent in 2002-03; 75 per cent of offshore Student visas (low risk) were Internet applications in 2003-04 compared with 59 per cent in 2002-03; and 27 per cent of Temporary Business (long stay) were Internet applications this year, the first time this option has been offered for this category.

Improvements to DIMIA's website, and a "status page" in eVisa applications that keeps clients informed of progress with their application and requirements yet to be satisfied, have been introduced to assist clients to use electronic options.

A pilot project for students in Singapore involving full online health processing including digital X-rays, transmitted electronically for processing in Sydney, was successfully run in November 2003. Some 2,400 students have used the facility to the end of June 2004 and provided very positive feedback. Processing using the new system usually took around 48 hours rather than the one to two weeks of the manual process. Steps to expand the facility are in progress.

Systems changes have been made to allow medical results for visa applicants who are in Australia to be loaded directly into the department's visa processing system, including a digital photo of the applicant. Such links provide more secure and efficient ways of obtaining evidence that an applicant meets visa criteria and are being further explored.

For onshore visa applicants, DIMIA officers have online access to a database of health checking undertaken by Health Services Australia (HSA). This database also contains photos of applicants, thereby assisting to prevent identity fraud.

DIMIA officers have now been given access to the database containing English language test results (IELTS). The database contains photos of applicants and provides another means of checking identity as well as a fast and efficient way of establishing an applicant's English language ability.

Work is continuing to gradually increase the repatriation of offshore visa subclasses and to provide electronic lodgement options for more visas.

TOURISM AND BUSINESS VISITORS

Tourism is worth over \$17 billion each year to the Australian economy and makes an important contribution to Australia's export earnings. A number of new service delivery strategies have been developed that provide a robust infrastructure for the delivery of visa services that support sustainable growth with high levels of integrity. Approval rates have increased for visitor visas at the same time as the non-return rate has declined. Along with the expansion of the electronic visa initiatives to Kuwait and the EU accession countries, new working holiday arrangements and greater promotion of the electronic visa products, these outcomes are important indicators that management of visa processes are delivering timely and effective services for the industry.

The department through the Tourism Visa Advisory Group has continued to work closely with key industry bodies and will continue to explore effective consultative arrangements that enhance Australia's attractiveness as a tourism destination.

INTERNATIONAL EDUCATION

Like tourism, the international education programs are an important part of Australia's services export industries, contributing some \$5 billion annually to the Australian community.

An efficient and transparent student visa program is the first step in ensuring that the expectations of industry are met. The completion of the review of 2001 student visa reforms culminated in a number of key changes to student visa requirements in December 2003. Close consultation and participation of the peak bodies during the review process ensured that key concerns of the various sectors of the International education industry were addressed. In addition to these changes the department continues the process of service delivery reforms through its global working strategies.

There has been a significant increase in uptake of eVisa for Assessment Level 1 students, signifying increasing confidence by clients with electronic service delivery options. All Peoples' Republic of China (PRC) applications are now processed through the Adelaide Student Processing Centre which has greatly enhanced communication flows between providers and the department in this important market. These types of service delivery strategies will continue to be expanded in the coming year.

Against this background there has been an increase in student visa grants (offshore grants increased by 5.1 per cent), with an all time record of 171,618 student visas granted to the end of June 2004 while at the same time integrity has been maintained at a high standard.

An important platform in the management of the international student programs are the opportunities for two way information sharing with education providers and the international student industry peak bodies such as the Affiliation of International Education Peak Bodies, student representative bodies and other Australian Government agencies. The department participated in various conferences and workshops with a strong focus on

international students as well organising regular meetings with the Affiliation of International Education Peak Bodies (AIEPB) on student visa matters.

RESEARCH ON MIGRATION

“Australia has the most complex, coherent, and best monitored immigration program in the world, for both permanent and temporary movements.”

Professor John Salt, University College, London, April 2004

Policy-relevant research continued to guide DIMIA programs in 2003-04. Two highlights from the 2003-04 research program are discussed below.

Brain Gain through skilled migration

Concerns that Australia is suffering a ‘Brain Drain’ were addressed by the release of “Skilled Movement in the New Century: Outcomes for Australia” by Dr Bob Birrell of Monash University, in April 2004. Dr Birrell demonstrates that, in a changing and uncertain international climate, Australia has significantly increased its ‘brain gain’. In 2002-03, Australia enjoyed a net gain of 36,260 skilled workers from overseas (not including people already in Australia who converted to skilled, permanent visas). This is a 50 per cent increase on the net gain in 1998-99. The strong emphasis of the Migration Program on young, English speaking, skilled migrants has been central to this outcome.

Dr Birrell also found that relatively few recent PhD graduates are leaving Australia – countering concerns that while we are gaining many skilled workers, we might be losing our ‘best and brightest’.

Skilled Migrants contributing to our labour force and society

In June 2004, “The Changing Labour Force Experience of New Migrants” was completed by Professor Sue Richardson of the National Institute of Labour Studies. The report demonstrates that the skills, education and English language ability of migrants have increased significantly in recent years.

As a consequence of the abilities of recent migrants, and the state of Australia’s economy, new skilled migrants are finding work quickly, making greater use of their qualifications and earning more than earlier migrants.

Professor Richardson’s companion volume “The Changing Settlement Experience of New Migrants” shows that migrants are settling quickly and that a high proportion are very happy with their decision to migrate. Professor Richardson’s work also highlighted the less successful outcomes of some of our Humanitarian entrants and the particular problems they face. This work informed the government’s decisions in the 2004 budget to devote additional resources to help this vulnerable group settle into their new home.

2003-04 also saw the foundations laid for a series of surveys of key migrant groups, including former students who became skilled migrants, long term business entrants and regional migrants. Results will be reported in 2004-05.

STATE-SPECIFIC AND REGIONAL MIGRATION

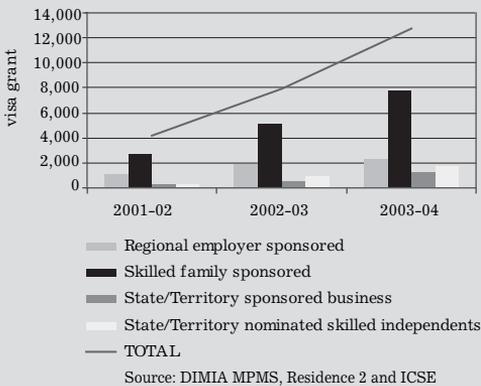
State and Territory governments and regional authorities are attracting more skilled migrants than ever before. They are directly influencing migration outcomes in response to their own skill needs and development objectives.

Grants of State-Specific and Regional Migration visas surged by 60 per cent to close to 13,000 in 2003-04. Visa grants rose in each state and territory and some 18 per cent of all Skilled Stream migrants were approved under State-Specific and Regional Migration visa categories.

FIGURE 1

Australian total

State-specific and regional skilled migration



In 2004-05, visa grants under State-Specific and Regional Migration categories are anticipated to grow strongly, possibly to around a third of the Skill Stream.

The Australian Government is continuing to work closely with state, territory and local governments and regional authorities in introducing initiatives that encourage even more skilled and business migrants to settle in regional Australia.

The new Skilled Independent Regional (SIR) visa, which commenced on 1 July 2004, provides a pathway to permanent residence for skilled people who wish to live and work in regional Australia or a low population growth metropolitan centre.

The government has provisionally earmarked 9,000 SIR visa places in the 2004-05 migration program, but more places will be provided if there is a higher level of interest from state and territory governments.

There are challenges in attracting migrants to regional Australia, particularly as there is a well established migration path to Sydney.

To this end the Australian Government is working with the NSW Government in introducing measures to contain migration numbers to Sydney. Agreed measures being pursued include the development of a Sydney Skills Shortage List (SSSL) and a higher salary threshold requirement for skilled persons sponsored to Sydney.

The government is also working closely with other states in pursuing their skill requirements and development objectives. This includes strengthening dedicated regional migration networks and expanding humanitarian settlement in some regional areas.

OUTPUT 1.1 – NON-HUMANITARIAN ENTRY AND STAY

1.1.1 ECONOMIC ENTRY (PERMANENT)

Performance Information

MEASURES		RESULTS
Output 1.1.1 Economic Entry (Permanent)	Quantity: 21,885 onshore applications (persons) finalised.	28,360
	69,875 offshore applications (persons) finalised.	59,094
	5,250 nomination/sponsorship applications finalised.	5,884
	Quality: Labour market performance of migrants improved against that of previous years.	Research in 2003-04 has again highlighted steady improvement in the labour force outcomes of new Skill Stream migrants.
	Performance against Service Standards.	See Output Component 1.1.1 table (p61)

Objective

To:

- maximise the economic and budgetary benefits from granting provisional and Permanent Residence visas to skilled and business migrants
- address key and emerging skill shortages, particularly in regional Australia
- expand business establishment and investment.

Description

Visas are issued in the following broad categories in support of these goals:

TABLE 2

Migration Program Outcome	2002-03	2003-04	% change
Employer sponsored	9,740 ⁽¹⁾	10,400	6.8
Business skills	6,740	5,670	-15.9
Skilled Australian sponsored	10,470	14,590	39.4
Skilled independent	38,920 ⁽¹⁾	40,350	3.7
Distinguished talent	180	230	27.8
1 November	20	10	-50.0
Total	66,070	71,240	7.8

Note: Numbers have been rounded and totals may not be the exact sum of the components

⁽¹⁾ Figures have been changed to reflect grants for State and Territory Nominated Independent now counted against Skilled Independent

Source: DIMIA, MPMS and ICSE data

Combined, these visa categories make up the Skill Stream of the Migration Program. In 2003-04 these categories provided an outcome of 71,240, up 7.8 per cent on 2002-03. This represents the largest Skill Stream on record, and some 62.3 per cent of the overall Migration Non-Humanitarian Program.

Analysis of Performance

Skill Stream Migrant Characteristics

The balance of the Migration Program continues to shift in favour of the Skill Stream and is targeted towards matching occupations in demand as well as meeting the needs of different areas of Australia.

Two new research reports in 2003-04 by Professor Sue Richardson of the National Institute of Labour Studies have confirmed that the outcomes of migrants have improved significantly in recent years.

Professor Richardson found that recent migrants, as measured by the Longitudinal Survey of Immigrants to Australia, had overall labour force participation rates:

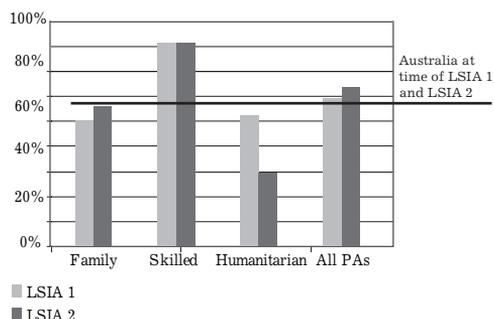
- higher than the Australian average - for new Skill Stream migrants they exceed the Australian average by around 25 percentage points
- around five percentage points higher than those of migrants who arrived between 1993 and 1995.

Professor Richardson also found that 18 months after their arrival the more recent arrivals (Figure 2) had unemployment rates:

- around half those of earlier migrants
- lower than the Australian average for new Skill Stream migrants in LSIA 2.

FIGURE 2

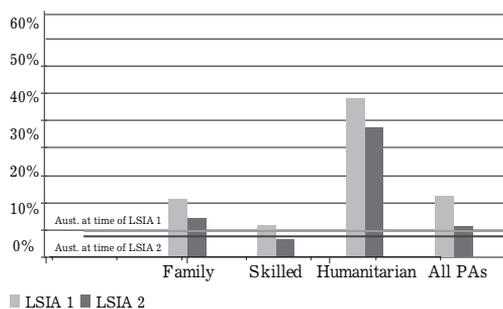
Labour Force Participation Rates, 18 months after migrating: Primary Applicants



Source: Longitudinal Survey of Immigrants to Australia, DIMIA

FIGURE 3

Unemployment Rates, 18 months after migrating: Primary Applicants



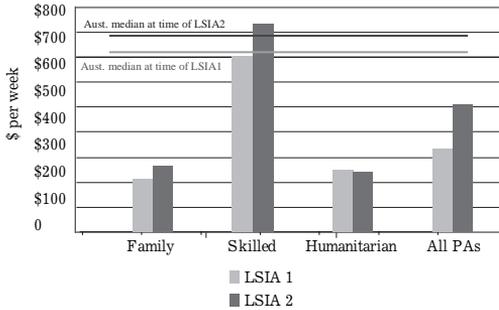
Source: Longitudinal Survey of Immigrants to Australia, DIMIA

When the median weekly income of the older and more recent migrants (principal applicants) are compared (Figure 3), 18 months after their arrival:

- average earnings, in real terms, are 50 per cent higher than those of migrants who arrived between 1993 and 1995
- new Skill Stream migrants are now achieving weekly earnings that are higher than the Australian average.

FIGURE 4

Median Weekly Income,
18 months after migrating :
Primary Applicants



Source: Longitudinal Survey of Immigrants to Australia, DIMIA

Australia's skilled migrant intake for 2003-04 has further consolidated the trend evident in the LSIA data that skilled migrants are increasingly well matched to Australia's skill needs.

- They are highly skilled: more than 96 per cent of Skilled Independent migrants scored maximum points for skill. They are meeting skill shortages: more than 55 per cent have Australian tertiary qualifications and approximately seven per cent were in occupations in national shortage. The low percentage of migrants with occupations in national shortage reflects the removal of ICT Professionals and Accountants from the Migration Occupations of Demand List.
- They are young: around 65 per cent of principal applicants granted visas were aged between 18 and 30 (compared with around 51 per cent in the same age group in 1994-95).
- They have good English: around 87 per cent scored maximum points for English language skills (compared with around 83 per cent in 1994-95). Of these, 84 per cent of offshore applicants scored maximum points for

English while 92 per cent of onshore applicants scored maximum points for English.

Regional Migration and Skill Shortages

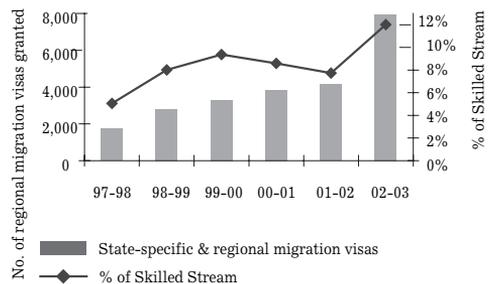
While many Skill Stream migrants have traditionally settled in Australia's major capital cities, regional migration is a priority, consistent with the broader agenda for promoting growth in regional Australia.

The department continued to work closely with state, territory and local governments and regional authorities in developing and promoting a range of State-specific and Regional Migration initiatives for example, the Regional Sponsored Migration Scheme. These initiatives provide a powerful tool to states and territories and regional employers in sourcing critical skills not available locally and supporting regional economic development. As a result:

- approximately 37,640 visas have been issued since 1996 under these mechanisms (see Figure 5)
- in 2003-04, almost 12,730 visas were issued. This represents the highest number of such visas on record and around 18.0 per cent of the Skill Stream (see Figure 5).

FIGURE 5

**STATE-SPECIFIC AND REGIONAL
MIGRATION VISAS - 1997-98 TO 2002-03**



Source: DIMIA MPMS, Residence 2 and ICSE

The rounded distribution of these visas across the states and territories in 2002-03 and 2003-04 is outlined in the table below.

TABLE 3

State/Territory	2002-03	2003-04
New South Wales	620	860
Victoria	4,150	6,460
Queensland	650	1,480
South Australia	1,320	2,070
Western Australia	580	970
Tasmania	200	290
Northern Territory	130	150
Australian Capital Territory	290	440
Total	7,940	12,720

As regional migration opportunities expand, further increases in the take-up of State-specific and Regional Migration initiatives are anticipated.

Since 1 July 2003, additional points have been awarded under the General Skilled Migration points test to overseas students who study and reside in regional Australia or a low population growth metropolitan area for at least two years.

Future commitments

A new Skilled Independent Regional (SIR) visa will commence on 1 July 2004 to support the entry of skilled migrants committed to living and working in regional Australia. The 2004-05 Migration Program provides an additional 5,000 places for the SIR visa, with a further 4,000 available if required. State and territory governments will have a direct influence on the number and skills of migrants that settle in their jurisdictions through the sponsorship of SIR visa applicants.

A related budget initiative is the establishment of a Regional Outreach Officer (ROO) network in all states and territories to promote to regional employers, opportunities to sponsor skilled migrants.

Further commitments in 2004-05 include the introduction of a new visa to encourage self-funded retirees to settle in regional and low growth areas of Australia.

Business Establishment and Investment

The Business Skills program provides economic benefits to Australia in terms of job creation, capital transfers and exports. The interest of state and territory governments has been given greater priority in the development of two-stage processing arrangements. Applicants may apply for sponsorship from a state or territory government and be eligible to meet concessional criteria, enabling sponsors to attract the kinds of business people they are seeking to assist in the economic development of their specific areas. This linkage also encourages applicants who are more committed to succeeding in business in Australia.

In 2003-04, 85 per cent of all business skills provisional visa applications were state and territory sponsored.

The Business Skills Monitoring Unit continued to undertake post-arrival integrity checking of residual (single stage) business skills visa holders. This resulted in a record 1,183 visa cancellations in 2003-04, where visa holders did not demonstrate an ownership interest or ongoing management role in an eligible business in Australia.

Global Working

Repatriation and centralisation of visa processing in targeted categories continued in 2003-04. Two parts of the Skill Stream have so far been part of this strategy:

- all general skilled visas are now lodged and processed in Adelaide. In 2002-03 Adelaide granted 33,983 such visas from a global total of 51,540. In 2003-04 almost all general skilled migration visas were processed in Adelaide
- all business skills category visas, other than those from Peoples' Republic of China (PRC) nationals and nationals of Taiwan, are now processed in Perth.

1.1.2 FAMILY ENTRY (PERMANENT)

Performance Information

MEASURES		RESULTS
Output 1.1.2 Family Entry (Permanent)	Quantity: 52,730 onshore applications (persons) finalised.	53,771
	54,535 offshore applications (persons) finalised.	52,804
	Quality: 85% of first stage offshore partner cases from non-ETA countries interviewed (either face to face or over the phone).	A recent survey of DIMIA offices confirmed that these standards are being maintained, or exceeded. Those offices exceeding the standard are interviewing in 90-95 per cent of cases.
	65% of first stage offshore partner cases from ETA countries interviewed (either face to face or over the phone).	A recent survey of DIMIA offices confirmed that these standards are being maintained.
	65% of first stage onshore partner cases interviewed (either face to face or over the phone).	A recent survey of DIMIA offices confirmed that these standards are being maintained.
	Number of cases actioned by Onshore Residence Bona Fides Units.	1,183
	Performance against Service Standards.	See Output Component 1.1.2 table (p61)

Objective

To:

- facilitate the entry of close family members of Australian citizens, permanent residents or eligible New Zealand citizens including spouses, interdependent partners, fiancé(e)s and dependent children
- provide opportunities for other family members such as parents, aged dependent relatives, carers and remaining relatives to join their relatives in Australia.

Description

Visas are issued in the following categories in support of these goals:

TABLE 4

Migration Program Outcome	2002-03	2003-04	% change
Partner	35,080	32,350	-7.8
Parent*	510	4,930	866.7
Child	2,680	2,660	-0.7
Other Family	2,520	2,280	-9.5
Total	40,790	42,230	3.5

* Including 3,430 grants in the contributory parent subclass.

Source: DIMIA Migration Program, MPMS ICSE.

Note: numbers have been rounded and totals may not be the exact sum of the components.

In 2003-04 these categories provided an outcome of 42,230 visas, up 3.5 per cent on 2002-03.

Analysis of Performance

Aggregate expenditure in 2003-04 for the Family Stream of the Migration Program was \$69.38 million.

Partner visas

In August 2001, the department introduced a best practice model for processing of partner visas. There have been reductions in partner visa processing times since the best practice model was introduced.

The median processing time for partner visa applications in Australian offices is 2.5 months and overseas three months, well below the service standards. See Output Component 1.1.2 Service Standards table (p61).

As at 30 June 2004, there were 9,533 unfinalised cases in the offshore partner visa pipeline. This represents a reduction of 30 per cent compared to when the best practice model was introduced. While the number of cases in the pipeline is larger than it was at 30 June 2003 (8,800 cases), it is expected that the best practice model will continue to deliver improvements in visa processing times.

Integrity gains

Benefits flowing directly from specialist Bona Fides Units (BFUs), established in all Australian offices at the beginning of 2002, continue to emerge and enhance the integrity of the family component of the migration program. These benefits include:

- more detailed reporting on emerging fraud trends, in particular country and gender profiles
- greater cooperation between

Australian and overseas offices in the identification and prevention of immigration fraud, especially in cases remitted by the MRT

- assurance checks of onshore sponsors on behalf of overseas offices, leading to the discovery of non-bona fide applications where the sponsor was found to be living with another partner.

During the program year 1,477 cases were referred to the BFUs and 763 home visits were conducted. This represents an increase of 42 per cent and 24 per cent respectively on the 2002-03 figures. Following BFU activity 1,183 cases were finalised, 263 cases more than in 2002-03. Of these 21 per cent were refused by the BFU as the parties were not in a genuine relationship; 55 per cent were granted after establishing the bona fides of the relationship; five per cent resulted in the application being withdrawn; and 19 per cent involved cases where the BFU returned their findings to onshore and offshore processing offices which had referred cases for investigation. For comparison, the overall refusal rate for all onshore Partner visa applications for 2003-04 was seven per cent.

Parent Visas

In 2003-04 the 1,500 places available in the original parent category were filled. The new contributory parent migration category, passed by Parliament in March 2003, came into effect on 27 June 2003. There were 3,430 visas granted in the contributory visa category. Visa grants in the contributory parent category were below target because the application rate in this category was lower than anticipated. In 2004-05 a total of 4,500 places will be available, 1,000 in the original parent category and 3,500 in the contributory parent category.

The introduction of the contributory parent category has seen a reduction in the parent pipeline to 20,100, a decrease of around 3,000 applications.

Child visas

In March 2004, a best practice model for child visa processing was implemented globally. The model is based on the partner visa best practice model, which has now been operating since August 2001.

Although the child visa caseload is relatively small in size, there has been an improvement in the processing times of complete applications lodged since March 2004.

Client reaction to the processing changes has been favourable. Further work on providing more useful information and guidance for clients on child visa application processing is continuing.

Also in 2003-04, priority was given to finalise older child visa applications, thereby reducing the overall application pipeline. There were 1,238 child applications on hand at the beginning of 2003-04. The pipeline had decreased by more than 20 per cent to 976 by 30 June 2004, even though there had been a slight increase in the overall number of applications lodged (2,798) compared to the previous financial year (2,728). In conjunction with the Best Practice Model, a further reduction in the number of pipeline cases is expected into the next year.

Global working

All applications for parent visas previously lodged at overseas offices are now processed centrally at the Perth Offshore Parents Centre (POPC). This included applications for the new contributory parent migration category. Economies of scale and specialisation have enabled POPC to develop

more efficient and effective processing procedures. Contributory parent visa applications are assessed within a week of lodgement and the majority are finalised within six months.

Temporary Child visa applications from onshore applicants are lodged and processed centrally at DIMIA's Hobart office. This ensures consistency and focus on the special needs of these children, who are seeking this temporary visa that will allow them to be included in their parent's application for grant of a permanent Partner visa. In 2003-04, 42 applications were lodged and 35 granted.

1.1.3 SPECIAL ELIGIBILITY

Performance Information

MEASURES		RESULTS
Output 1.1.3 Special Eligibility	Quantity: 1,020 onshore applications (persons) finalised.	1,119
	275 offshore applications (persons) finalised.	179
	Quality: Performance against Service Standards	See Output Component 1.1.3 table (p62)

Objective

To:

- resolve the status of certain groups of people who, for humanitarian reasons, have been allowed to remain in Australia as long term temporary residents
- enable certain people in Australia, such as former permanent residents and people who inadvertently became unlawful before turning 18, who have close ties to Australia and have spent their formative years in Australia, to remain permanently in Australia
- facilitate the entry of former permanent residents who have spent nine out of their first 18 years in Australia as permanent residents and who have maintained close ties to Australia or who served in Australia's armed forces.

Description

Visas are issued in the following categories in support of these goals:

TABLE 5

Migration Program Outcome	2002-03	2003-04	% change
ROS	440	330	-25.00
Close Ties & Former Resident	780	560	-28.21
TOTAL	1,230	890	-27.64

Note: Numbers have been rounded and totals may not be the exact sum of the components.

Source: Outcomes Reporting Section, DIMIA

Analysis of Performance

Resolution of Status Program (ROS)

ROS visas were introduced in June 1997 to enable certain people in Australia on a temporary visa, often for long periods of time, to apply for a permanent visa.

Applications closed on October 1998. The process to gain permanent residence under the ROS program is in two stages.

Successful applicants were initially granted a temporary ROS visa. Decisions on the permanent visa are not made until the applicant has resided in Australia for a period of 10 years. Applicants must meet this 10 year requirement within 12 years of arriving in Australia.

A total of 330 permanent ROS visas were granted during 2003-04. This is a finite caseload with 150 cases remaining to be finalised.

Former Resident and Close Ties Visas

The Former Resident subclass caters for offshore applicants who spent at least nine out of their first 18 years of life in Australia as permanent residents. It also caters for former residents who served in the Australian Armed forces before 1981.

The Close Ties subclass enables certain people in Australia to remain as permanent residents. It caters for former permanent residents, people who arrived in Australia before 1975, and those who inadvertently became unlawful before the age of 18, have close ties to Australia and have spent their formative years in Australia.

Global working

In November 2003, all Close Ties and Former Resident visa applications were repatriated to the Australian Capital Territory (ACT) Regional Office's Global Processing Unit (GPU) for centralised processing. The GPU has developed efficient and effective processing procedures for Special Eligibility visas, in part due to specialisation and economies of scale.

During 2003-04 the GPU granted 400 Close Ties visas and 160 Former Resident visas. A total of 360 Close Ties and 170 Former Resident new visa applications were received, while 100 were refused.

1.1.4 VISITORS AND WORKING HOLIDAY MAKERS

Performance Information

MEASURES		RESULTS
Output 1.1.4 Visitors and Working Holiday Makers	Quantity: 29,970 visitor onshore applications (persons) finalised.	33,977
	715,750 visitor offshore applications (persons) finalised.	751,356*
	97,000 working holiday maker offshore applications (persons) finalised.	95,336
	205 sanctions issued where there has been breach of visa and/or sponsorship conditions (Sponsored Visitor Visas).	146 sponsors 184 visitors
	2,609,000 ETA applications (persons) finalised.	2,731,021*
	Quality: Number of international event organisers assisted with entry of participants.	406
	Number of enquirers assisted by the Family Visitor Network.	23,638
	Percentage of visitor visa bonds refunded because visa conditions are met.	98.4%
	The Approved Destination Scheme Visitors non-return rate from the Peoples' Republic of China maintained at less than 1%.	0.39%
	The non-return rate of visitors relative to the refusal rate continues to decline or remain low in historic terms.	1.47%**
	Percentage of visitors applying for protection visas after arrival remains below 0.2%.	0.07%
	Take up rate of electronic working holiday maker applications for those eligible arrangement countries.	93.3%
	Number of working holiday maker arrangement countries.	16
	Percentage of onshore visitor visa extensions lodged electronically that could have been lodged that way.	17.4%
Performance against Service Standards.	See Output Component 1.1.4 table (p62)	

* 75,476 ETAs were finalised at posts.

Note: This figure is not included in the number of ETA applications finalised (2,731,021), but is included in the number of visitor offshore applications finalised (751,356).

** 2002-03 1.6%; 2001-02 1.83%; 2000-01 2.15%

Objective

The delivery of visa processes and strategies that support the growth of the tourism industry and enhance border integrity by:

- assisting the lawful entry of genuine tourists, business and family visitors by continually improving grant rates, client services and processing times
- minimising the potential for non-genuine visitors to remain in Australia or to contravene visa conditions.

Description

In support of these goals, visas are granted to offshore applicants in the following categories:

TABLE 6

Visa Statistics	2002-03	2003-04	% variation
ETA Visitors (sc** 956,976, 977)	2,726,350	*2,884,597	+5.8
Tourist (Non-ETA) (sc** 676, 686)	368,564	415,999	+12.9
Business Visitors (Non-ETA) (sc** 456, 459)	126,779	147,706	+16.5
Sponsored Family Visitors (sc** 679)	7,469	9,567	+28.1
Medical Treatment (sc** 675, 685)	3,917	3,972	+1.4
Total Visitors Visas	3,233,079	3,461,841	+7.1
Working Holiday Makers (sc**417, 462)	88,758	93,845	+5.7

*Includes 153,576 ETAs granted outside the ETAs system.

**sc = (visa) subclass

Source: Outcomes Reporting Section, DIMIA

In 2003-04, there were 3,461,841 visas granted to offshore applicants, an increase of 7.1 per cent over 2002-03. This trend is expected to continue in 2004-05.

The top 12 countries for Visitor visa grants to offshore applicants for the program year were:

- United Kingdom (647,611)
- Japan (634,629)
- United States of America (377,875)
- Republic of Korea (203,880)
- Peoples' Republic of China (162,793)
- Malaysia (147,340)
- Singapore (142,448)
- Germany (133,540)
- France (90,873)
- Canada (89,911)
- Taiwan (88,662)
- Indonesia (59,270).

In 2003-04, 93,845 Working Holiday Maker visas were granted, an increase of 5.7 per cent over 2002-03.

The main countries of the Working Holiday Makers in 2003-04 were:

- United Kingdom (35,061)
- Ireland (12,260)
- Japan (9,943)
- Germany (9,700)
- Republic of Korea (9,522)
- Canada (6,517).

Analysis of Performance

The number of Visitor and Working Holiday Maker visa grants in 2003-04 was the highest since 2000-01, reflecting renewed confidence in international travel following the significant falls in 2002-03 as a consequence of terrorism concerns, the economic downturn in a number of key tourism markets, the war in Iraq and the Severe Acute Respiratory Syndrome (SARS) epidemic.

DIMIA supports the tourism industry by facilitating the entry of bona fide visitors to Australia through:

- the introduction of new technology to deliver a client service that is consistent with their expectations
- enhanced integrity checking mechanisms to minimise opportunities for non-bona fide visitors to be granted visas.

People who wish to visit Australia apply for a range of Visitor visas. Of all short-term visitors to Australia, 83.5 per cent held an Electronic Travel Authority (ETA), the majority of which had been issued through travel agents and airlines in 34 countries overseas or directly via the Internet. People not eligible for ETAs apply for visas at Australian missions overseas.

Visitor Visas

In 2003-04 there were 3,461,841 Visitor visa grants offshore, an increase of 7.1 per cent over the 2002-03 figure of 3,233,079. Of these, 2,884,597 were ETA grants, an increase of 5.8 per cent over the previous year's result of 2,726,350. The number of non-ETA grants was 577,244, an increase of 13.9 per cent over the 2002-03 figure of 506,729.

The overall approval rate for all offshore Visitor visas increased to 98.4 per cent in 2003-04 from 98.05 per cent in 2002-03.

The approval rate for ETA applications in 2003-04 was 99.99 per cent, compared with 99.98 per cent in 2002-03. For non-ETA applications offshore, the approval rate was 91.1 per cent, compared with 88.79 per cent in 2002-03.

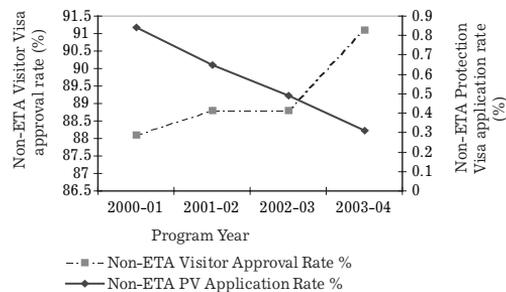
The proportion of Visitor visa holders applying for Protection visas after they arrived in Australia decreased to 0.07 per cent in 2003-04 (from 0.10 per cent in 2002-03).

In 2003-04, 2,382 persons who originally entered on Visitor visas applied for Protection visas in Australia, compared to 3,607 in 2002-03.

Figures 6 and 7 reflect the continuing success of the risk management strategy employed, including the more systematic use of tools such as the 'no further stay' condition, bonds and sponsor sanctions. As a result, the department has been able to increase grant rates without compromising the non-return and Protection visa application rates from high risk countries (that is non-ETA countries), both of which have continued to decrease.

FIGURE 6

Non - ETA Visitor visa approval rates and Protection visa application rates



Note:

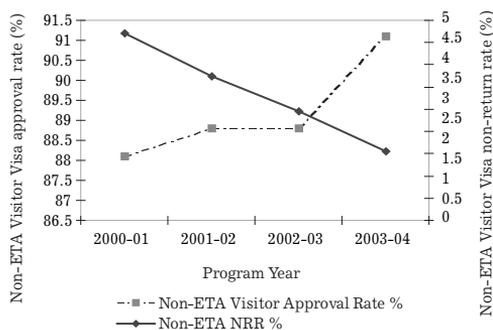
(i) the non-ETA Visitor visa approval rate is the number of non-ETA Visitor visas (ie subclasses 456, 459, 675, 676, 679, 685 and 686) granted as a percentage of applications decided for these visa subclasses during the reporting period. Not all applications are decided in the program year that they are received

(ii) the non-ETA Protection visa application rate is the number of Protection visa applications lodged by non-ETA nationals who arrived on Visitor visas as a percentage of the total number of non-ETA visitor arrivals during the reporting period. Not all applications will necessarily have been lodged by visitors who arrived during the reporting period, ie; the applicant may have arrived in a previous program year.

Source: Outcomes Reporting Section, DIMIA

FIGURE 7

Non-ETA Visitor visa approval rates and Non-Return rates



Note:

(i) the non-ETA Visitor visa approval rate is the number of non-ETA Visitor visas (ie subclasses 456, 459, 675, 676, 679, 685 and 686) granted as a percentage of applications decided for these visa subclasses during the reporting period. Not all applications are decided in the program year that they are received

(ii) The non-ETA Visitor visa Non-Return rate is the proportion of Visitor visa arrivals in the reporting period who do not depart Australia within the validity of their Visitor visa.

Source: Outcomes Reporting Section, DIMIA

Business Visitors

Short stay Business Visitor visas support Australian businesses, including export industries and are an integral part of DIMIA operations.

In 2003-04, 298,835 short stay Business Visitor visas were granted, a 17.6 per cent increase over the 2002-03 program year (254,180 visas). Of these, 151,134 (50.6 per cent) were granted to ETA business visitors and 147,706 (49.4 per cent) were granted to non-ETA business visitors.

The main purpose for these visits included business negotiations, signing of contracts, inter-company business activities and attendance at conferences.

The main source countries for short stay Business Visitors who were granted visas in

2003-04 were:

- Peoples' Republic of China (62,163)
- United States of America (48,578)
- United Kingdom (25,663)
- Japan (17,937)
- India (15,029)
- Indonesia (10,252)
- Thailand (10,088)
- Singapore (9,037)
- Canada (7,853)
- Germany (7,778)
- Malaysia (7,309)
- France (7,178).

Approved Destination Status

The Approved Destination Status (ADS) scheme allows for citizens of the Peoples' Republic of China (PRC) to access streamlined group travel to other countries. Australia was the first Western country to be approved as a destination under the scheme.

In 2004, ADS travel recovered well after having suffered a significant downturn in 2002-03 due to the SARS epidemic. Overall, 32,528 tourists arrived in Australia under the ADS in the 2003-04 program year, compared with 29,098 in 2002-03. Since the inception of ADS in August 1999, a total of 127,500 tourists have arrived on ADS visas. The ADS non-return rate in 2003-04 was 0.39 per cent compared to a global non-return rate of 1.47 per cent.

International Events Coordinator Network

The International Events Coordinator Network (IECN) assists organisers of international events held in Australia to prepare for immigration-related requirements on behalf of their participants. In 2003-04 the IECN provided information on visa requirements and procedures in respect of 406 events, also acting as a conduit between the event organisers and

the Australian missions processing visa applications for participants.

Tourism and Visa Advisory Group

The department continues to interact with key stakeholders in the tourism industry. The Tourism and Visa Advisory Group (TVAG) provides the main forum for this. TVAG consists of representatives from the Australian Tourist Commission, the Australian Tourism and Export Council, Tourism Taskforce Australia, Qantas, the Board of Airline Representatives Australia, the Australian Hotels Association and the Department of Industry, Tourism and Resources. During 2004-05, representatives of state and territory tourism authorities will join TVAG.

Working Holiday Visas

Australia's Working Holiday visa program has both social and economic benefits. It promotes international understanding by helping young people experience Australian culture. It also supports the Australian economy by providing supplementary labour for industries requiring short-term casual workers.

In the 2003-04 program year new Working Holiday arrangements were finalised with France and Italy. Australia now has Working Holiday arrangements in effect with 16 countries and is currently undertaking negotiations with several other countries.

There were 93,845 Working Holiday visas granted in 2003-04, a 5.7 per cent increase.

Global Working

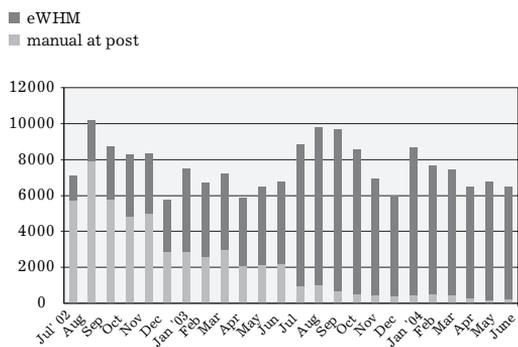
Of the total Working Holiday Maker visas granted in 2003-04, 87,497 (93.3 per cent) were lodged electronically over the Internet. The majority are processed and granted in

one day. Where additional processing is required, the department's Hobart office manages this task and also responds to any email enquiries from clients or their agents. The continuing very high take-up rate of electronic lodgment of Working Holiday visas during 2003-04 is an important achievement, allowing for better client servicing and greater operational efficiency.

Figure 8 compares the monthly number of Working Holiday visas granted in program year 2002-03 and the number of visas granted during 2003-04, and highlights the underlying strengths of this program.

FIGURE 8

Take-up of eWHM since July 2002



Source: Outcomes Reporting Section, DIMIA

The electronic lodgment facility, which was made available to Working Holiday Makers (WHM) on 1 July 2002, has continued the consistent growth demonstrated in 2002-03.

In March 2003, a new e-Visa facility, commonly referred to as e676, was piloted with citizens of the United Arab Emirates (UAE). This facility allows for applicants to lodge subclass 676 Tourist (Short Stay) visa applications on the Internet. Applications

are processed in the Hobart Onshore Processing Centre, typically in a period of seven to ten days.

It should be noted that e676 is not the same as the subclass 976 Electronic Travel Authority (ETA). However, it does offer many of the same benefits as the ETA, including electronic lodgement, label-free travel facilitated by the Advanced Passenger Processing system, shortened decision-making periods and no requirement for applicants to either visit or post their passports to an Australian mission.

In the 2002-03 program year, 21 subclass 676 applications were lodged by UAE nationals using the e676 facility. In the following year the e676 facility was extended to Kuwait in March with a total of 44 applications lodged in 2003-04. In 2003-04, 316 applications were lodged by UAE nationals.

1.1.5 STUDENTS

Performance Information

MEASURES		RESULTS
Output 1.1.5 Students	Quantity: 117,660 onshore applications (persons) finalised.	142,046
	123,910 offshore applications (persons) finalised.	129,191
	Quality: Approval rates compared to rates of non-compliance as measured by percentage of students who apply for protection visas as a proportion of the number of student visas expiring in that program year.	Approval rate: 93.19% (previous year: 93.14%) PV rate: 0.19% (previous year: 0.29%)
	Approval rates compared to rates of non-compliance as measured by percentage of students who become unlawful as a proportion of the number of student visas expiring in that program year.	Approval rate: 93.19% (previous year: 93.14%) Unlawful rate: 1.47% (previous year: 1.49%)
	Approval rates compared to rates of non-compliance as measured by percentage of students whose visas are cancelled for non-attendance or for not meeting course requirements as a proportion of the total number of student visas granted in the year.	Approval rate: 93.19% (previous year: 93.14%) Cancellation rate: 1.92% (previous year: 2.0%)
	Approval rates compared to rates of non-compliance as measured by percentage of students located by DIMIA Compliance as a proportion of the number of student visas granted in the year.	Approval rate: 93.19% (previous year: 93.14%) Compliance location rate: 2.9% (previous year: 3.3%)
	Percentage of onshore student applications lodged electronically.	7.42%
	Percentage of offshore student applications that could be lodged electronically being lodged this way.	73.4%
	Performance against Service Standards.	See Output Component 1.1.5 table (p63)

Objective

To enable people who are not Australian citizens or Australian permanent residents to study in Australia (generally as full-fee paying students), in full-time accredited and

registered courses. Student visa arrangements are aimed at streamlining entry procedures for genuine students whilst maintaining the integrity of Australia's immigration programs.

Description

Students apply for a student visa that is specific to their intended education sector. For each student visa subclass there are criteria to be satisfied in respect of financial capacity, English proficiency, potential to breach visa conditions and other relevant matters.

The evidentiary standards for these criteria differ according to the immigration risk level assigned to each sector and country. The risk level reflects factors such as visa non-compliance and fraud. The higher the risk level the greater the evidentiary requirements that applicants must provide in terms of English ability and financial capacity to study in Australia.

TABLE 7

Visa statistics	2002-03	2003-04	% change
Off-shore Grants	109,610	115,248	5.1
On-shore Grants*	52,965	56,370	6.4
Total	162,575	171,618	5.6

* Not including Permission to Work (PTW) or Change of Provider (COP) visas
 Source: Outcomes Reporting Section, DIMIA

The top twelve passport holders in terms of offshore student visa grants for program year 2003-04 were:

- PRC (17,279)
- USA (10,723)
- India (9,611)
- Republic of Korea (8,214)
- Malaysia (7,081)
- Japan (6,650)
- Hong Kong SAR (5,413)
- Indonesia (5,194)
- Thailand (4,946)
- Singapore (3,739)
- Germany (3,145)
- Bangladesh (2,292).

Analysis of performance

The Student visa program has a dual role: a) to maximise the competitive advantage of Australia’s overseas student industry by streamlining access to student visas. Key indicators of this include:

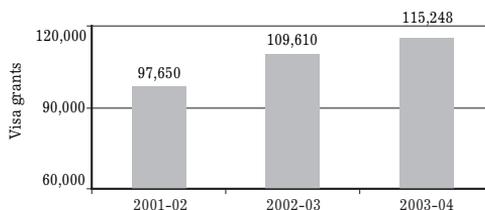
- growth in student visas and student numbers
 - reduction in processing time
 - transparency of visa requirements
 - increases in approval rates
 - accessibility of visa lodgement arrangements
- b) to minimise student non-compliance in areas including:
- Visa cancellation rates
 - Number of unlawful students
 - Protection visa applications by students.

The total number of student visas granted to overseas students during 2003-04 was 171,618 (not including Permission to Work or Change of Provider visas), an increase of 5.6 per cent over the 2002-03 figure of 162,575 which was a record.

There were 115,248 offshore visas granted in 2003-04, an increase of 5.1 per cent. The number of onshore visas granted was 56,370 (not including Permission to Work or Change of Provider visas), which was an increase of 6.4 per cent.

FIGURE 9

Offshore Student Visa grants 2001-02 to 2003-04 Program Years



5.1 per cent increase between 2002-03 and 2003-04

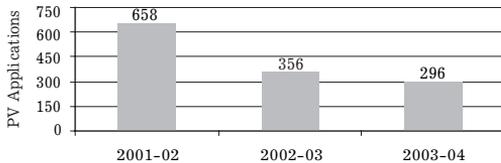
Source: Outcomes Reporting Section, DIMIA

Grants from some education sectors saw slight declines during the 2003-04 program year. The School sector in particular, saw an offshore decline of 3.0 per cent and the Vocational Education sector by 3.3 per cent. These declines were more than countered by large increases in the Non-award sector (up 43.4 per cent) and the Postgraduate sector (up 22.1 per cent).

The number of students applying for protection has declined since the introduction of the 2001 reforms. During the 2003-04 program year, protection visa applications declined 16.8 per cent, when compared with the 2002-03 program year (from 356 to 296).

FIGURE 10

Students and Protection Visa Applications 2001-02 to 2003-04 Program Years



16.8 per cent decrease between 2002-03 and 2003-04
Source: Outcomes Reporting Section, DIMIA

The tables on the next page demonstrate the steady growth in the number of student visa holders in Australia, both total and by top source countries. This stock data provides a 'snapshot' of the estimated number of overseas students in Australia on a given day. The data has been extracted at the end of each quarter of each program year from 1999-2000 to 2003-04. Table 8 illustrates fluctuations due to student peak periods.

As at 30 June 2004 there was a record number of 177,292 overseas students in Australia, reflecting a 3.3 per cent increase

on the previous year. Student visa cancellations in the program year 2003-04 rose slightly to 8,245 compared to 8,204 in the previous program year. It is notable that although the number of cancellations increased, the proportion of cancellations compared with grants declined from the 2002-03 program year.

The department initiated a review of the 2001 Student Visa Reforms in August 2002. Implementation of the recommendations coming out of the review commenced from 1 December 2003. The changes have introduced greater consistency to the financial requirements across all student visa subclasses. They also provide more flexibility to the evidentiary requirements for higher risk student visa applicants, whilst ensuring that key integrity measures are maintained.

An English language proficiency requirement for older school students from very high risk countries, was introduced on 1 April 2004. Such applicants must submit evidence of satisfactory results in the International English Language Testing System (IELTS) test. Applicants from the PRC may seek a waiver of the IELTS requirement.

The new Student Guardian visa was introduced on 1 January 2004. This visa allows the parent or relative of an overseas student under 18 years of age to accompany them to Australia, to provide for their accommodation and welfare whilst studying. This visa may also provide, in certain limited circumstances, for a person to accompany a student aged over 18 years to Australia.

TABLE 8

Program Year	30 September	31 December	31 March	30 June
1999-2000	128,136	79,801	130,943	121,135
2000-2001	138,566	87,728	153,706	138,192
2001-2002	163,032	102,331	168,730	154,017
2002-2003	176,405	109,024	184,732	171,619
2003-2004	193,546	120,602	203,123	177,292

Source: Quarterly stock data reports provided by Statistics section, DIMIA

TABLE 9

Citizenship	Stock by Citizenship as at 30 June				
	2000	2001	2002	2003	2004
PRC	9,064	13,926	22,235	30,479	33,918
Hong Kong	7,989	8,760	11,063	13,771	6,008
Malaysia	9,139	9,713	11,421	12,878	12,088
Indonesia	15,766	14,962	13,715	12,826	10,025
Korea	8,989	12,321	10,994	12,379	11,478
Japan	6,946	7,664	8,772	9,911	9,486
Thailand	5,781	6,876	7,964	8,629	7,941
India	8,570	8,351	6,874	8,123	11,328
Singapore	6,331	6,379	7,323	7,456	6,006
USA	3,037	3,339	4,123	4,588	4,023

Source: Quarterly stock data reports provided by Statistics section, DIMIA

In the six month period to 30 June 2004, there were 606 student guardian visas granted, of which 68 per cent were to Korean citizens.

DIMIA continues to work closely with the Department of Education, Science and Training (DEST) on matters relating to the integrity of the student visa program. Laws are in place, which provide both DIMIA and DEST with powers to access student and provider records. Sanctions can be imposed on providers who do not comply with requirements.

Global Working

The department's Global Working strategy saw continued growth in electronic lodgment of student visa applications by offshore students and the full transfer of processing of Chinese student applications to the Adelaide Offshore Student Processing Centre (AOSPC) in March 2004. These initiatives enabled posts to focus resources on integrity checking functions.

Internet lodgment of applications

The Internet based electronic student visa facility provided improved access to

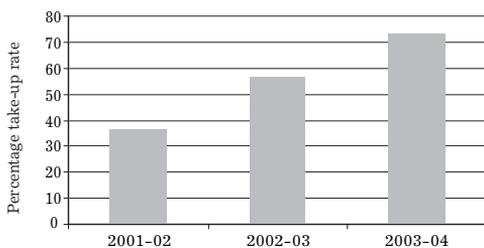
departmental services for many student visa applicants outside Australia in the Assessment Level 1 (low immigration risk) category. The number of eligible students applying through this facility continued to grow with 35,497 student visas granted to offshore applicants in 2003-04, compared to 27,533 in 2002-03.

During 2004-05 the department expects to trial a new electronic lodgement facility for students in the PRC, India and Thailand who are in higher immigration risk categories than those students outside Australia who currently have access to electronic lodgement. Other initiatives for applicants outside Australia will allow family members to be included in electronically lodged applications. Students who are under 18 will also be able to lodge a student visa application electronically. These applications will be subject to manual assessment and integrity checking.

The graph below indicates increasing Student eVisa take-up rates by eligible offshore candidates.

FIGURE 11

Offshore Student eVisa take-up rates



Source: 'Offshore eVisa take up rate' provided by Outcomes Reporting Section, DIMIA

Electronic lodgement of student visa applications by students already in Australia saw continued growth from 2,341 applications in 2002-03 to 4,475 in 2003-04.

Two new initiatives for onshore students were launched in March 2004. Automatic visa grant became available for students who meet all requirements relating to a permission to work application. Improvements to the permission to work system include a new facility that allows education providers to electronically notify the department that a student has commenced study. Automatic visa grant also became available for Assessment Level 1 applicants in Australia who meet all requirements. These initiatives are expected to increase onshore student take-up rates of eVisa, reducing client numbers in our busy state and territory offices during student visa application peak processing periods.

Repatriation of paper visa applications

The Adelaide Offshore Student Processing Centre (AOSPC) was established in March 2002 to receive student visa applications from the Peoples' Republic of China. The main objectives were to manage the increasing number of applications from the PRC, reduce overall processing times and free resources in Beijing for more integrity checking. Initially AOSPC was a pilot and undertook basic functions such as registration and receipting of applications. Experience with the caseload had developed to the extent that by March 2004 the AOSPC was processing all student visa applications from the PRC. Significant reductions in processing times have been achieved for most cases through these arrangements. Most cases are decided by AOSPC in less than 12 weeks. At the same time, increased resources have been directed to integrity checking.

Professional Development Visa Program

The Professional Development Visa (PDV) (subclass 470) was introduced on 1 July 2003. The PDV allows highly skilled professionals, managers and government officials to enter Australia to undertake professional development training. The ability to offer such tailored training will support Australia's bilateral, economic and political relations with other countries.

In order to lodge a valid application for a PDV an Australian organisation must first apply to DIMIA to become an approved professional development sponsor.

In 2003-04, 25 sponsorship applications were approved and 333 visa applications were granted. Sponsors were primarily higher education institutions. Visa holders were primarily from the Peoples' Republic of China (236) and Uzbekistan (96).

While the initial uptake in the first program year has not been as strong as originally anticipated, increasing awareness of the scheme both in Australia and overseas is expected to promote a higher level of participation in the program in coming years.

All Professional Development Visa applications are lodged and processed in Hobart.

1.1.6 TEMPORARY RESIDENTS

Performance Information

MEASURES		RESULTS
Output 1.1.6 Temporary Residents	Quantity: 31,140 Sponsored Business (Long Stay) onshore applications (persons) finalised	32,075
	19,410 other temporary residence onshore applications (persons) finalised	22,076*
	61,820 onshore nomination/sponsorship applications finalised	58,169
	19,370 Sponsored Business (Long Stay) offshore applications (persons) finalised	23,455
	35 sanctions issued where there has been breach of visa and/or sponsorship conditions.	Nil – sanctions legislation did not take effect until 1 July 2004
	43,605 other temporary residence offshore applications (persons) finalised	34,498*
	Quality: Approval rates compared to rates of non compliance as measured by percentage of temporary entrants who apply for protection visas.	Approval rate: 95.33% (previous year: 93.22%) Application for protection visa rate: 0.36% (previous year: 0.38%)
	Approval rates compared to rates of non-compliance as measured by percentage of temporary entrants who become unlawful.	Approval rate: 95.33% (previous year: 93.22%) Unlawful rate: 1.59% (previous year: 2.12%)
	Approval rates compared to rates of non compliance as measured by percentage of sponsors in breach of their undertakings.	Sponsorship approvals: 7,271 (previous year: 7,061) Sponsors in breach of undertakings: 34 (0.47%) (previous year: 32 (0.45%))
	100% of 457 visa sponsors monitored for compliance with visa conditions.	100%
	25% of 457 visa sponsors site visited at place of employment.	28%
	Performance against Service Standards.	See Output Component 1.1.6 table (p63)

* Estimates only

Objective

To further Australia's economic, social, cultural and international relations in the context of a more mobile global workforce.

Description

Visas are issued in the following categories in support of these goals:

TABLE 10

Visa statistics	2002-03	2003-04	% change
Skilled visa classes	48,779	48,652	-0.26
Social and cultural	26,215	23,309	-11.08
International relations	11,142	14,628	31
Total	86,136	86,589	0.52

Analysis of Performance

Benefiting Australia's Economy

Temporary business residents are highly skilled, have high salary levels and are ineligible for a range of government services. They continue to have a large and positive impact on the Commonwealth Budget.

Temporary business residents are also net contributors to state and territory budgets.

On the basis of Access Economics modelling, the Commonwealth budget can be expected to benefit by about \$2 billion over four years from the 40,633 temporary business entrants granted visas in 2003-04. The modelling also indicates that on average, state and territory budgets could share around \$800 million over four years.

Skilled long-term temporary entrants continue to make a major contribution to Australia's international competitiveness, bringing with them new ideas, skills, technology, understanding and contacts. On this basis their numbers are likely to continue to rise as Australia's economy remains strong. Many are also choosing to stay on in Australia as evidenced by the steady growth in skilled

temporary residents applying onshore for permanent residence on skill grounds.

Meeting Skill Needs

Temporary Business visa holders continue to contribute to skill needs of Australian business. Temporary Business visas focused on filling vacancies in skilled occupations, covering the top four Australian Standard Classification of Occupations (ASCO) code dictionary classifications. Temporary Business visas allow business to respond quickly to changes in skills needs. This was particularly apparent in the health professions, senior management and Information and Communication Technology (ICT).

The impact on the number of temporary resident doctors working in Australia has been marked. This increased 34 per cent (from 1,392 at the end of June 2003 to 1,867 at the end of June 2004).

The visa grants to people with ICT skills levelled off in 2002-03 and again rose by 14 per cent in 2003-04. For the first time, a separate higher salary threshold is required for ICT professionals applying for the temporary business 457 (long stay) visa. The salary threshold for all positions nominated for this visa was set at \$37,720 from 11 February 2004 and for ICT professionals at \$46,620.

In 2003-04, 9,788 people holding the Temporary Business (long stay) visa applied to remain in Australia permanently. The majority of these (68 per cent) applied for permanent entry under the Employer Nominations Scheme, Regional Sponsored Migration Scheme and Labour Agreements. These applications represented 67 per cent of the visas granted in these visa categories onshore.

Supporting Regional Needs

Since 1 November 2002, provision exists to waive the salary and skill thresholds for the Temporary Business (long stay) visa subclass 457 for businesses in regional Australia, where there is certification by the Regional Certifying Bodies. This provides regional Australia with access to much needed skilled workers to fill local shortages.

Special nomination arrangements for health providers entering sole person practices in regional Australia have been introduced. This arrangement applies also to the Regional Sponsored Migration Scheme and the Temporary Medical Practitioner visa (subclass 422). They will however require support from the relevant health authorities in the state or territory.

New arrangements were made for temporary Medical Practitioner visas (422) to support the Medicare Plus initiatives. From November 2003, all Medical Practitioner visas (422) could be granted for up to four years. From 1 March 2004, applications for this visa are lodged in Australia, even if the applicant is offshore. This increases the integrity and processing arrangements, with visa applications and nominations processed in the same business centre.

On 18 and 19 May 2004, a regional Australia workshop was held in Albury. Representatives of most of the 49 state and territory Regional Certifying Bodies that are responsible for certifying regional visa nominations, attended the workshop. Most state and territory governments and the department's business centres also attended. The workshop promoted the objective for all participants to work closely together on the range of visa initiatives for regional Australia, especially the new temporary

Skills Independent Regional visa to commence on 1 July 2004. The workshop focused on the key shift in strategies to support regional Australia through the migration and temporary entry programs.

Increased Integrity Initiatives

Continued enhancements were made to the national monitoring of business sponsorship arrangements for the Temporary Business (long stay) visa sponsors.

Business rules and measurable targets were established for each state and territory monitoring unit, setting out the number of sponsors to be monitored and site visits to be conducted during 2003-04. Monitoring of business sponsors is conducted with targeted site visits of some sponsors to ensure that they are complying with their undertakings as sponsors. These have greatly strengthened the integrity of the scheme.

During 2003-04, 7,759 sponsors were monitored by specialised DIMIA monitoring units. The monitoring teams also conducted 2,169 site visits. In 2003-04:

- 424 subclass 457 visa holders in Australia had their visas cancelled as a result of breaching their visa conditions or because a change in circumstances removed their eligibility for the visa
- 3,989 subclass 457 visas were cancelled after the employee had left both their employer and Australia before the expiry of their visa.

The Sponsorship (Measures) Act came into force on 14 October 2003. This provides a basis for sanctions to be imposed on sponsors who do not comply with their undertakings. Regulations specifying the undertakings and sanctions will come into force from 1 July 2004.

Streamlined Processing

Streamlined processing ensured that the median onshore processing time remained low at 21 days in 2003-04 while there was a 7.3 per cent increase in application rates and the transfer of a large volume of the caseload onshore.

Global Working

From 1 July 2003 lodgement of the sponsorship nomination and visa applications on the Internet commenced. This was extended to all business sponsored 457 sponsorship, nomination and visa applications from 1 November 2003.

From 1 January 2004, all visa applicants sponsored by Australian businesses were required to lodge their applications in Australia. This includes overseas visa applicants. The take up rate for electronically lodged applications reached 27 per cent in 2003-04 and continues to increase providing fast, streamlined processing for this visa.

1.1.7 RESIDENT RETURN VISAS, AUSTRALIAN DECLARATORY VISAS AND CERTIFICATE OF EVIDENCE OF RESIDENCE STATUS

Performance Information

MEASURES		RESULTS
Output 1.1.7 Resident Return Visas, Australian Declaratory Visas and Certificate of Evidence of Residence Status (CERS)	Quantity: 66,060 onshore applications (persons) finalised.	63,062 17,860 (CERS)*
	7,240 offshore applications (persons) finalised.	8,061
	Quality: Percentage of onshore applications lodged electronically that could have been lodged that way.	6%
	Performance against Service Standards.	See Output Component 1.1.7 table (p63)

Note: * Estimates in the 2003-04 Portfolio Budget Statements inadvertently omitted CERS.

Objective

To:

- facilitate the re-entry of Australian permanent residents while ensuring that only those people with a genuine commitment to residing in Australia, or who are contributing to Australia's well-being, retain the right to return and remain permanently in Australia
- provide documentation to enable the entry into Australia of Australian citizen dual nationals who have compelling reasons preventing them from travelling on an Australian passport
- upon request, provide clients with written evidence of their status in Australia as permanent residents.

Description

Visas were issued in the following categories including the issue of CERS in support of these goals:

TABLE 11

Visa statistics	2002-03	2003-04	% change
Return resident	54,544	63,190	15.85
Australian Declaratory	1,212	1,230	1.49
Certificate of Evidence of Residence Status	14,005	17,720	26.53
Total	69,761	82,140	17.74

Note: Numbers have been rounded and totals may not be the exact sum of the components.

Source: Outcomes Reporting Section, DIMIA

Analysis of Performance

Resident Return Visas (RRVs)

The RRV scheme provides a service to cater for Australian permanent residents who wish to leave Australia and return as permanent residents. Applications can be

lodged in a number of ways, including over the counter at DIMIA offices in Australia and overseas and electronically over the Internet.

A total of 67,050 RRV applications were lodged during 2003-04. Of those, 63,490 were lodged over the counter, resulting in 59,780 grants and 990 refusals.

Global Working

During 2003-04, 3,560 Internet applications were lodged for RRVs, up 48.8 per cent on 2002-03, resulting in the autogrant of 1,270 electronic RRVs. Those Internet applications not resulting in an autogrant of an RRV, are referred to the department's Perth office for further processing. A further 2,140 RRVs were granted following this process.

Australia Declaratory Visas (ADVs)

An ADV is an administrative document granted in limited circumstances to Australian citizen dual nationals who would suffer hardship or persecution in another country if they travelled on their Australian passport. A total of 1,350 ADV applications were lodged during 2003-04, with a total of 1,230 being granted, up 1.49 per cent on 2002-03.

Certificates of Evidence of Residence Status (CERS)

The department provides a service to permanent residents who are unable to present a passport and visa as proof of their resident status. During 2003-04, 17,870 applications were lodged, with a total of 17,720 being issued, up 26.9 per cent on 2002-03.

OUTPUT 1.1 TABLES - NON-HUMANITARIAN ENTRY AND STAY PERFORMANCE INFORMATION

Output Component 1.1.1 Economic Entry (Permanent) Service Standards				
	Onshore		Offshore	
	Low Risk	High Risk (1)	Low Risk	High Risk (1)
Labour Agreement/Employer Nomination/ Regional Sponsored Migration				
Median Processing Time - target	3 months	4 months	3 months	4 months
Median Processing Time - actual	2.2 months	2.8 months	1.9 months	2.8 months
75 Percentile Processing Time - target	6 months	8 months	6 months	8 months
75 Percentile Processing Time - actual	4.4 months	5.3 months	3.2 months	4.8 months
Business Skills				
Median Processing Time - target	6 months	12 months	6 months	12 months
Median Processing Time - actual	4.9 months	6.0 months	10.4 months(2)	12 months
75 Percentile Processing Time - target	9 months	15 months	9 months	15 months
75 Percentile Processing Time - actual	7.7 months	9.1 months	14.5 months(2)	14.9 months
New Independent/Skilled Australian Sponsored				
Median Processing Time - target	4 months	4 months	9 months	12 months
Median Processing Time - actual	4.9 months	3.5 months	11.4 months(3)	14.2 months(3)
75 Percentile Processing Time - target	6 months	6 months	12 months	15 months
75 Percentile Processing Time - actual	7.3 months	6.4 months	15.2 months(3)	18 months (3)

Output Component 1.1.2 Family Entry (Permanent) Service Standards				
	Onshore		Offshore	
	Low Risk	High Risk (1)	Low Risk	High Risk (1)
Spouse/Interdependent (Temporary)				
Median Processing Time - target	3 months	4 months	4 months	7 months
Median Processing Time - actual	2.3 months	1.9 months	2.1 months	4.3 months
75 Percentile Processing Time - target	6 months	8 months	6 months	12 months
75 Percentile Processing Time - actual	4.8 months	4.5 months	3.9 months	7.6 months
Prospective Spouse				
Median Processing Time - target	N/A (4)	N/A (4)	4 months	7 months
Median Processing Time - actual			2.2 months	3.7 months
75 Percentile Processing Time - target			6 months	11 months
75 Percentile Processing Time - actual			3.7 months	6.5 months
Spouse/Interdependent (Permanent)				
Median Processing Time - target	3 months	3.5 months	N/A (5)	N/A (5)
Median Processing Time - actual	2.7 months	3.1 months		
75 Percentile Processing Time - target	7 months	9 months		
75 Percentile Processing Time - actual	5.3 months	6.5 months		
Child				
Median Processing Time - target	3 months	3 months	2 months	4.5 months
Median Processing Time - actual	2.3 months	1.2 months	1.2 months	3.4 months
75 Percentile Processing Time - target	6 months	7 months	3 months	10 months
75 Percentile Processing Time - actual	4.4 months	3.5 months	1.8 months	8.3 months

Notes:

- (1) High Risk is defined as those nations for whom ETA is not available.
- (2) Backlog of 'old' cases remains and the current level of \$A is a disincentive to applicants to make designated investments.
- (3) Increasing number of complex cases that require work experience checks, assessing sponsorship and Assurance of Support.
- (4) Not applied for in Australia.
- (5) Numbers of permanent visa applicants who have held a temporary visa for two years are too small for Median Processing Time to be statistically significant.

The Median and 75 Percentile Processing Times are from application to finalisation.

All permanent entry service standards may vary according to the number of places available in the Migration Program. Applications processed in Taipei are not reflected in the applications (persons) finalised quantities.

Output Component 1.1.3 Special Eligibility Service Standards				
	Onshore		Offshore	
	Low Risk	High Risk (1)	Low Risk	High Risk (1)
Other Special Eligibility				
Median Processing Time - target	4 months	7 months	7 months	10 months
Median Processing Time - actual	6.9 months (2)	4.8 months (2)	3.2 months	9.5 months
75 Percentile Processing Time - target	7 months	10 months	10 months	13 months
75 Percentile Processing Time - actual	10.5 months(2)	10.5 months(2)	5.2 months	17.9 months(3)

Output Component 1.1.4 Visitors and Working Holiday Makers Service Standards				
	Onshore		Offshore	
	Low Risk	High Risk (1)	Low Risk	High Risk (1)
Sponsored Visitors				
Median Processing Time - target	N/A (4)	N/A (4)	N/A (5)	1 month
Median Processing Time - actual				0.7 months
75 Percentile Processing Time - target				1.5 months
75 Percentile Processing Time - actual				1.4 months
Non-Sponsored Visitors (Short Stay)				
Median Processing Time - target	1 day	1 day	1 day	0.5 months
Median Processing Time - actual	1 day	0 day	2 days	0.1 months
75 Percentile Processing Time - target	1 day	1 week	1 day	1 month
75 Percentile Processing Time - actual	N/A (6)	N/A (6)	11 days	0.4 months
Non-Sponsored Visitors (Long Stay)				
Median Processing Time - target	1 day	1 day	1 day	1 month
Median Processing Time - actual	0 day	3 day	0 day	0.6 months
75 Percentile Processing Time - target	1 day	1 month	1 day	1.5 months
75 Percentile Processing Time - actual	9 days	0.6 month	3 days	1.3 months
Business Visitors				
Median Processing Time - target	N/A (4)	N/A (4)	1 day	0.5 months
Median Processing Time - actual			0 day	0.1 month
75 Percentile Processing Time - target			1 day	1 month
75 Percentile Processing Time - actual			4 days	0.4 month
Working Holiday Makers				
Median Processing Time - target	N/A (4)	N/A (4)	1 day	N/A (8)
Median Processing Time - actual			0 day	
75 Percentile Processing Time - target			1 day	
75 Percentile Processing Time - actual			3 days (7)	

Output Component 1.1.5 Students Service Standards				
	Onshore		Offshore	
	Assessment Level 1 / 2	Assessment Level 3/4	Assessment Level 1 / 2	Assessment Level 3/4
Students				
Median Processing Time - target	1 week	0.5 month	1 week	2 months
Median Processing Time - actual	0.7 week	0.3 month	1.3 months (9)	2.3 months (9)
75 Percentile Processing Time - target	0.5 month	1 month	0.5 month	3 months
75 Percentile Processing Time - actual	0.8 month	1.1 months	0.6 month (9)	3.7 months (9)

Notes:

- (1) High Risk is defined as those nations for whom ETA is not available.
- (2) Reflects processing of the East Timorese cases.
- (3) Overseas posts are clearing residual cases.
- (4) Not applied for in Australia.
- (5) ETA is available to applicants from Low Risk Nations.
- (6) Comparable data not available due to incorrect attribution of student visa extensions to this caseload. Problem has been rectified for 2004–05.
- (7) Increase in proportion of Working Holiday Makers requiring health clearances.
- (8) No Working Holiday Maker Agreements in place with High Risk nations.
- (9) Increasing volume of applications in peak periods. Delays in clients providing documents and/or medicals.

The Median and 75 Percentile Processing Times are from application to finalisation.
All permanent entry service standards may vary according to the number of places available in the Migration Program.
Applications processed in Taipei are not reflected in the applications (persons) finalised quantities.

Output Component 1.1.6 Temporary Residents Service Standards				
	Onshore		Offshore	
	Low Risk	High Risk (1)	Low Risk	High Risk (1)
Long Stay Business & Other Sponsored Temporary Residence (2)				
Median Processing Time - target	1 month	2 months	1 month	2 months
Median Processing Time - actual	0.4 month	0.9 month	0.7 month	1 month
75 Percentile Processing Time - target	3 months	5.5 months	3 months	5.5 months
75 Percentile Processing Time - actual	1.2 months	2.3 months	1.7 months	2.7 months

Output Component 1.1.7 RRVs, ADVs and Evidence of Residence Status Service Standards				
	Onshore		Offshore	
RRV, ADV and Certificate of Evidence of Residence Status				
Median Processing Time - target	1 day		1 day	
Median Processing Time - actual	0 day		1 day	
75 Percentile Processing Time - target	1 day		2 weeks	
75 Percentile Processing Time - actual	0 day		1.4 weeks	

Notes:

- (1) High Risk is defined as those nations for whom ETA is not available.
- (2) Service standard excludes sponsorship and nomination processing.

The Median and 75 Percentile Processing Times are from application to finalisation.
Applications processed in Taipei are not reflected in the applications (persons) finalised quantities.

KEY HIGHLIGHTS – REFUGEE AND HUMANITARIAN ENTRY AND STAY

INTERNATIONAL COOPERATION

The department pursued an active and integrated program of bilateral, regional and multilateral engagement to protect and advance Australian national interests in managing permanent and temporary migration, reducing irregular movement, combating people smuggling and trafficking, and strengthening the system of international protection.

The impact of stronger partnerships with governments, particularly in the Asia-Pacific and Middle East regions, and engagement with international organisations was reflected in:

- sustained and more effective action to detect and prevent people smuggling and trafficking, including through prosecution, use of return, and work to strengthen border management
- a stronger focus on the crucial role of strong border management in fighting terrorism
- uptake and application of assistance in capacity-building in priority countries to achieve:
 - more effective information and intelligence sharing
 - stronger legislative and regulatory frameworks
 - improved inter-agency cooperation
 - better border and visa systems
 - greater public awareness of the humanitarian risks of irregular movement
 - enhanced capabilities to verify the identity and nationality of travellers
 - improved understanding of the issues involved in returning illegal immigrants
- a greater international focus on comprehensive approaches to durable solutions to refugee and asylum seeker flows, including enhanced use of resettlement, where appropriate.

The actions taken by the department, working closely with the Attorney General's Department, the Australian Federal Police, AusAID, Coastwatch, the Department of Defence, the Department of Foreign Affairs and Trade and the Australian intelligence community, to achieve this impact were:

- pursuit of Australian interests in managed migration, and on improved international protection framework, including supporting and Ministerial visits to Armenia, the PRC, Iran, Thailand, Vietnam, and attendance at the Office of the United Nations High Commissioner for Refugees (UNHCR) Executive Committee meeting
- a strong contribution to regional cooperation, including:
 - high level input to a Senior Officials Meeting (SOM) on the Bali Process on People Smuggling and Trafficking in Brisbane on 7-9 June 2004 attended by delegates from 47 countries
 - funding and organisation for a Bali Process workshop on the return of unlawful arrivals held in Perth on 13-14 May 2004, attended by delegates from 31 countries
 - Australian chairmanship of the Asia Pacific Consultations (APC) on Refugees Displaced Persons and Migrants in 2003 during which key reforms were agreed
 - the Pacific Immigration Directors Conference (PIDC)

- continued leadership in Asia-Pacific Economic Cooperation (APEC) initiatives for Advanced Passenger Information (API) processing, work to develop a regional movement alert system, and expansion of the APEC business travel card scheme to include 16 economies
- effective and outcomes-focused diplomacy with key partner countries. This included facilitating high level visits to Australia by Ministers and senior officials from the PRC, Indonesia, Iran, Jordan, Thailand and Vietnam, visits by senior Australian officials to priority countries in the Asia-Pacific and Middle East regions, and attendance at the Four Countries Conference involving Australia, Canada, the United Kingdom and the United States
- investment in over 20 Asia-Pacific and Middle Eastern countries in practical capacity-building, including:
 - border management assessments
 - systems design and implementation
 - identity checking including establishment of document examination laboratories in several countries and the creation of an Identity Checking Unit (IDCU) in Afghanistan
 - legal drafting
 - provision of technical assistance and equipment and training (detection of document fraud, professional standards, immigration intelligence, English language and relevant postgraduate studies)
- continued financial support in Indonesia as a transit country for persons engaged in illegal travel to Australia. These Regional Cooperation Arrangements (RCA) facilitate an orderly and safe way for International Organization for Migration (IOM) to counsel people about their options and for UNHCR to assess the claims of those who signal a possible protection need
- participation in the Government's Enhanced Cooperation Program (ECP) with Papua New Guinea (PNG) designed, through key personnel secondments and a focussed study by IOM of PNG's migration management systems needs, to strengthen PNG's capacity to manage its borders
- provision of assistance for the repatriation and return of Afghans and Iraqis
- advocacy of Australian perspectives and ideas for more comprehensive and innovative approaches to the management of refugee and asylum seeker flows in the IOM and UNHCR, including through the High Commissioner's Convention Plus initiative
- involvement in the Global Commission on International Migration (GCIM) which will report to the United Nations General Assembly in 2005, and nomination of Mr David When as a Commissioner on the GCIM.

OUTPUT 1.2 – REFUGEE AND HUMANITARIAN ENTRY AND STAY

The Humanitarian Program is an important element of Australia's contribution to the system of international protection of refugees. The offshore component of the program provides resettlement in Australia to people overseas who are in the greatest relative need of this durable solution. The onshore component provides protection in Australia to people who engage Australia's protection obligations under the Refugee Convention.

In 2003-04, a total of 13,851 visas were granted under the Humanitarian Program. This number comprised 11,802 visas granted offshore and 2,049 onshore.

The total number of Humanitarian Program visas granted exceeded the 12,891 available places by 559 refugee grants and 401 Special Humanitarian Program (SHP) grants (which includes 88 Protection Visa grants above planning levels and two Temporary Humanitarian Concern Visas). These places were brought forward from the 2004-05 program. This represents the first time since 1999, when the government introduced greater flexibility in program delivery with approval for the carryover of unused places and/or the bringing forward of places between program years, that all Humanitarian Program places have been utilised and there has been no carryover.

1.2.1 OFFSHORE HUMANITARIAN

Performance Information

MEASURES		RESULTS
1.2.1 Offshore Humanitarian	Quantity: 55,947 applications (persons) finalised.	67,081
	Quality: 75% of applications (persons) finalised within 12 months.	86.67% 75% were finalised within approximately 10 months

Objective

To:

- assist people in humanitarian need overseas for whom resettlement in another country is the only available option
- share the responsibility for refugee resettlement with the international community.

Description

Through the Humanitarian Program the government provides resettlement for refugees and others who are in the greatest need of this durable solution. This output provides for the delivery of the offshore Humanitarian Program in a way that enhances settlement outcomes and supports Australia's role in sharing responsibility for alleviating humanitarian situations.

Analysis of Performance

The available offshore resettlement places for 2003-04 were 10,991 comprising:

- 3,575 refugee places
- 7,416 SHP places (subject to the number of places being required onshore).

The Humanitarian Program can be managed flexibly between program years and in

2003-04 available places were reduced by 498 refugee places brought forward in 2002-03 to allow the grant of visas to refugee cases that had reached finalisation, and increased by 1,196 SHP places carried over from the 2002-03 program.

Due to the continuing success of efforts to reduce unauthorised arrivals in Australia, a nominal allocation of 700 program places was made for onshore protection needs arising from initial applications for protection. This was a reduction of 30 per cent from the 2002-03 allocation of 1,000 places. In 2003-04, 788 onshore protection visas were granted.

During 2003-04, a total of 1,228 visas providing permanent residence in Australia were granted to East Timorese who had been in Australia on temporary visas for a number of years, using the Minister's public intervention powers.

Total visa grants under the offshore humanitarian program were 11,802 comprising:

- 4,134 refugee grants
- 7,668 SHP grants.

The level of offshore grants in 2003-04 was achieved despite challenges in the operational environment overseas as a result of disruptions to operations at posts because of events in the Middle East and the significant increase in Africa region program places. The 2003-04 offshore grants outcome is the highest in eight years and Onshore Protection grants are the lowest for over 10 years.

Three hundred and ninety three Women at Risk (WaR) grants, while representing 10.9 per cent of 2003-04 planned refugee places, at 9.5 per cent of total refugee grants is under the nominal annual target of 10.5 per cent. This is due to additional refugee places being brought forward from the 2004-05 program for grant at the end of the 2003-04 program year, combined with a lower than expected number of applications. The WaR grants outcome in 2003-04 is lower than grants in both the 2001-02 and 2002-03 programs, where at 11.5 per cent of total refugee grants, the nominal target was exceeded.

Offshore grants in 2003-04 were generally in line with regional priorities recommended by the Office of the United Nations High Commissioner for Refugees (UNHCR), with priority given to resettlement of people from Africa, the Middle East and South West Asia, as follows:

- Africa – 70.6 per cent of total offshore grants, an increase compared to 47 per cent in 2002-03
- Middle East and South West Asia – 24.4 per cent of total offshore grants, a decrease compared to 37 per cent in 2002-03
- Europe – 3.0 per cent of total offshore grants, a decrease compared to 10 per cent in 2002-03

- Asia – 1.9 per cent
- Americas – 0.6 per cent, compared to 1.3 per cent of total offshore grants for Asia and Americas in 2002-03.

The trend to improved processing times over recent years was maintained. The target of 75 per cent of applications (persons) finalised within twelve months was exceeded with 87 per cent being finalised within 12 months. The finalisation of 75 per cent of applications was achieved within approximately 10 months. This was an improvement on 2002-03 finalisation times where 73 per cent of applications were finalised within 12 months.

In 2003-04, a total of 78,971 applications were made offshore, an increase of 15,891 applications (25 per cent) in comparison with 2002-03. Applications from 67,081 persons were finalised during the program year, which exceeded the finalisation target by 20 per cent.

A pilot was conducted during 2003-04 to test the feasibility of onshore processing of aspects of the Humanitarian Program and identify the benefits for DIMIA and clients of processing applications in Australia. An independent evaluation of the pilot's impact on clients found that the new arrangements significantly improved client service with improved communication between DIMIA and humanitarian proposers.

The information provided to DIMIA by proposers also contributes to program integrity by providing additional substantiation of information. The pilot has also freed resources overseas, thus allowing posts to focus more on integrity checking and relationship building with local implementation partners such as UNHCR

and the International Organization for Migration (IOM).

A pre-departure cultural orientation pilot for refugee and humanitarian entrants from Kenya was implemented. The pilot was implemented under contract with IOM and was extended in November 2003 to include Egypt.

Each session under the pilot is comprehensive and lasts 15 hours, over three days. The sessions are conducted in the client's local language and have been designed to provide humanitarian entrants with the necessary knowledge to enhance their settlement prospects and create realistic expectations of life in Australia. (See page 129 Outcome 2.1.2 for further details)

The department undertook community consultation and research into a community based travel loan scheme to assist proposers meet the travel costs of SHP entrants.

1.2.2 PROTECTION VISAS (ONSHORE)

Performance Information

MEASURES		RESULTS
Output 1.2.2	Quantity: 7,650 onshore protection (persons) finalised.	6,299
Protection Visas (Onshore)	8,980 Intervention assessments of which 5,123 are post review assessment.	10,858
	45 matters relating to complaints to and assessments for United Nations (UN) treaty bodies.	86
	250 (persons) in detention assisted under the Immigration Advice and Application Assistance Scheme.	288
	Quality: 80% of applications from applicants not in detention to be finalised within 90 days of lodgement, where there are not factors outside DIMIA's control which prevent finalisation.	78.8%
	60% of applications from applicants in detention to be finalised within 42 days of lodgement, where there are not factors outside DIMIA's control which prevent finalisation.	88.4%

Objective

To ensure that Australia efficiently and effectively fulfils its international obligation not to return, directly or indirectly, refugees to their place of persecution.

Description

Protection visas allow for the stay in Australia of people to whom Australia owes protection obligations under the United Nations Refugees Convention and Protocol.

Analysis of Performance

There were 6,299 Protection visa finalisation decisions in 2003-04 (finalisation decisions include primary decisions, visa grants resulting from review tribunal decisions and

certain visa cancellation decisions). There was a total of 1,896 Protection visas granted in the year following primary, review or Ministerial intervention decision. In comparison, there were 8,296 Protection visa finalisations and a total of 899 Protection visas granted in 2002-03.

In 2003-04, 788 of the Protection visas granted resulted from initial applications and were counted as part of the humanitarian program. The remainder were grants of further protection to Temporary Protection visa (TPV) holders who have already been counted as part of the humanitarian program.

The reduction in finalisations in 2003-04 reflects a decline in the available caseload resulting both from very low numbers of unauthorised boat arrivals and a decline in the number of applications made by people in the community. During 2003-04 the department moved increasingly to processing of further applications from TPV holders which in the early stages has been a resource intensive caseload.

Decision-making on Protection visa applications made by Iraqi nationals recommenced in April 2004. Consistent with the situation in many Western countries, decisions on this caseload had been deferred since March 2003 while the department sought detailed and reliable information about the human rights situation inside Iraq.

Of the 1,896 Protection visas granted in 2003-04, there were 1,284 primary grants, 603 granted following a Refugee Review Tribunal (RRT) decision and nine granted following the use of the Minister's public intervention powers under section 417 of the *Migration Act 1958*. In comparison, in 2002-03, there were 372 primary grants, 502 grants following a RRT decision and 25 grants following the use of the Minister's public intervention powers.

Of the 1,896 Protection visas granted in 2003-04, 185 (9.8 per cent) were TPVs. By comparison, of the 899 Protection visas granted in 2002-03, 281 (31.3 per cent) were TPVs, reflecting the continued low number of unauthorised arrivals seeking protection in recent years.

During 2003-04, Further Protection visa (FPV) applications accounted for 2,157 finalisations, of which 1,108 were visa grants following either primary, review or

Ministerial intervention decision. This compares to 82 FPV applications finalised during 2002-03, of which two were approved. Most of the decisions made on FPV applications in 2002-03 related to applications where the applicant had since left Australia. The applications were refused on that basis.

Of the 603 Protection visas granted in 2003-04 following merits review decision, 76 were FPVs. This compares to no FPVs granted in 2002-03 following review by the relevant merits review tribunal. Of the nine Protection visas granted in 2003-04 using the Minister's intervention powers, none were FPVs. There were also no FPVs granted using the Minister's intervention powers in 2002-03. Largely because of lead times for FPV applications refused by the department to progress through merits review, the number of such applications finally determined as unsuccessful by the tribunal, and therefore available for Ministerial intervention, remained relatively small as at the end of 2003-04.

Attention has continued to be given to streamlining onshore protection processing, strengthening arrangements for decision maker training, country information and fraud checking to ensure speedy and robust decision-making.

The department maintained a satisfactory outcome against its timeliness target for decision-making for community based initial applicants and exceeded its timeliness targets for decision-making for those in detention. Maintaining timeliness is attributable to continued efforts to streamline processing and maintain appropriate staffing levels. Case manager numbers increased through the year to respond to the increased workloads of FPV applications.

Following changes during 2003-04 in some parts of Afghanistan, the department re-examined the cases of those Afghan nationals in Australia's caseload on Nauru who had previously been found not to be refugees. This process was completed during the year. Further details are reported under Output 1.5. The department also commenced re-examination of the cases of some Afghans in detention in Australia who had previously been found not to be owed protection.

Regulation changes (Migration Amendment Regulations 2003 (No.6)) came into effect on 28 August 2003. These changes restored access to further permanent protection visas for some 2,400 TPV holders who could have, but did not, apply for further protection before 27 September 2001. The changes also broadened the TPV arrangements to cover Protection visa applicants who arrived in Australia lawfully and enabled the grant of offshore temporary humanitarian visas and onshore TPVs for periods of time shorter than those originally stated in the Migration regulations. The regulation changes were disallowed by the Senate on 9 October 2003 and ceased to have effect immediately.

The department provided a submission, oral evidence and statistical information to a Senate Select Committee on Ministerial Discretion in Migration Matters. The committee has reported and the government is currently considering its response.

KEY HIGHLIGHTS – ENFORCEMENT OF IMMIGRATION LAW

PREVENTING PEOPLE SMUGGLING ACTIVITY

Whole-of-government operations continued to prove effective in deterring people from attempting to enter Australia illegally by boat. A total of 82 persons from three boats were detected in 2003-04. Of these, 15 persons were found on Ashmore Island after being dropped off by boat and were subsequently returned to Indonesia. A vessel with 14 persons on board was returned towards Indonesia. The 53 persons on the third vessel were moved to Christmas Island for processing. The organiser of this vessel, an Australian national who also arrived on the vessel, was subsequently sentenced to jail by a Perth court. In 2002-03 there were no unauthorised arrivals by boat, compared to 1,277 in 2001-02.

As a result of initiatives from the Bali Process, regional countries were active in preventing and deterring the activities of people smugglers and the movement of potential illegal immigrants towards Australia. Nevertheless, people smugglers remained active in the region and in source countries and can be expected to continue targeting vulnerable people for possible movement to Australia.

BIOMETRICS

The *Migration Legislation Amendment (Identification and Authentication) Act 2004* was passed by the Senate on 10 February 2004 and is expected to commence at the end of August 2004. It provides a wider legislative framework for collecting and storing personal identifiers such as photographs, signatures and fingerprints from non-citizens at key points in the immigration process, while providing safeguards for the use of identity information.

This legislation is an important initiative that will improve Australia's border security. It enhances the department's ability to establish and authenticate the identity of non-citizens at various stages of processing and on entry. It will help to fight the use by terrorists and criminals of sophisticated techniques to change identities and to cross international borders. It also allows Australia to keep pace with technological developments being implemented in other countries such as the USA, and EU Member States.

The department is working with Department of Foreign Affairs and Trade and Australian Customs Service to design an integrated approach to the use of biometrics for border control. As part of this process, DFAT is testing a prototype biometric passport and ACS will extend its 'SmartGate' trial. SmartGate is an automated border processing system using facial recognition technology that undertakes the face-to-passport check usually undertaken by an ACS officer. SmartGate is currently installed at the Customs control point for Qantas aircrew at Sydney International Airport.

For its part, the department is developing an identity services repository for the storage and use of face and fingerprint images for visa applicants. It has also established a biometrics testing facility to assess the impact that biometric capture would have on the department's business processes. Several trials of biometric capture for specific visa processes are also scheduled for later in 2004-05.

With identity fraud conservatively estimated to cost the Australian community over \$1.1 billion per year, enhanced identity checking using biometrics will reduce the opportunity for identity fraud to be used to obtain Australian passports or to fraudulently enter Australia.

ADVANCE PASSENGER PROCESSING SYSTEM

A key element of our secure and streamlined border processing is the Advance Passenger Processing (APP) system which is used to pre-check passengers before they travel to Australia. The APP system prevents inadequately documented passengers from being uplifted by airlines overseas and increases the efficiency of incoming passenger processing in Australia for both airlines and the cruise shipping industry.

Implementation of APP by both airlines and the cruise shipping industry was rolled out incrementally through 2003-04. System enhancements were introduced in January 2004, requiring airlines to provide APP information on all passengers and crew and, for the first time, international cruise ships were required to provide APP information in respect of passengers and crew. This is a significant enhancement to the immigration screening process as previously air and sea crew and sea passengers were processed manually on arrival.

Some 96 per cent of air arrivals were covered by APP as at 30 June 2004, an increase from 94 per cent in 2002-03 and 65 per cent in 2001-02.

During the cruise shipping season, from January to March 2004, APP reporting covered 10,835 crew and 17,176 passengers arriving by sea, enabling 99.7 per cent of all passengers arriving by sea to be processed by APP. Twenty four separate passenger cruise vessel arrivals were APP processed during this period. The APP processing of the P&O liner Star Princess for a Hobart arrival on 8 February 2004, encompassing 2,525 passengers and 1,110 crew is typical of the volumes handled by the APP arrangements and demonstrates the resource efficiencies of pre-arrival processing through APP, minimising delays for disembarking.

SEX WORKER TRAFFICKING

On 13 October 2003, a whole-of-government strategy to combat people trafficking was announced. A comprehensive range of new measures was funded by more than \$20 million over four years. Key initiatives implemented by the department include:

- an extended visa regime that provides for a person who assists with investigations and/or prosecutions of people trafficking matters to remain in Australia with access to victim support. Two new visas came into effect on 1 January 2004:
 - a Bridging F Visa (BVF) which enables a stay of an initial period of 30 days (with intensive case manager support) while law enforcement authorities decide if longer stay is required. Ten BVFs have been granted
 - a Witness Protection (Trafficking) visa which enables a person to remain in Australia temporarily or permanently where they have assisted with an investigation or prosecution and may be at personal risk if they return to their home country

- development of DIMIA/ AFP referral protocol
- joint DIMIA/ AFP awareness training
- placement of a Senior Migration Officer (Compliance) in Thailand to focus exclusively on people trafficking in the region
- enhanced arrangements for suspected victims of trafficking who remain in detention.

MIGRATION AGENTS TASKFORCE

The Migration Agents Taskforce (MATF) was established in June 2003 to identify and address serious fraud by registered and unregistered migration agents. MATF focuses on agents who are assessed as lodging a high number of non bona-fide applications. Such activity is often connected with people smuggling and illegal workers.

Outcomes sought by MATF include prosecution, proceeds of crime action, support of action carried out by other agencies such as the Australian Federal Police (AFP), deregistration by the Migration Agents Registration Authority (MARA), or visa cancellation where people who have committed fraud are not Australian citizens. Since June 2003, four persons have voluntarily deregistered as migration agents and one agent has been charged with several *Migration Act 1958* offences. Further action is expected.

ALTERNATIVES TO DETENTION IN CENTRES

The year saw a marked reduction in the number of women and children held in immigration detention. In particular, the department continued to respond to the needs of children in immigration detention so that at the end of the 12 month period there were only nine children in mainland immigration detention centres whose parents had arrived illegally by boat, and all of these had been offered alternative detention arrangements. This number was further reduced to one soon after the end of the financial year.

The department is committed to developing innovative and responsive alternative detention strategies. These include the establishment of further Residential Housing Projects (RHPs) for women and children, foster care arrangements for children with state child welfare authorities, and community-based alternative detention arrangements, often in partnership with community groups and non-government organisations (NGOs). In addition to this, and in appropriate cases, bridging visas may be granted for children or other detainees with special needs.

The remaining children in detention have come to the attention of the department as the result of compliance activities, for example, their parents are visa overstayers. These children are normally in immigration detention only for a short period of time. They are detained only as a last resort, for example, because their parents are not cooperating with efforts to remove them from Australia or the parents have absconded. For the period 1 July 2003 to 30 June 2004, of the 2,160 unlawful non-citizen children located as a result of compliance activities, only seven per cent were detained.

Residential Housing Projects

Following the success of the Woomera RHP in South Australia, the department established an RHP adjacent to the Port Hedland Immigration Reception and Processing Centre (IRPC) in Western Australia in September 2003 and another near the Baxter Immigration Detention Facility in Port Augusta, South Australia in November 2003. The Woomera and Port Hedland RHPs were later decommissioned due to the decreasing numbers of unauthorised boat arrivals in detention.

RHPs were developed as a more domestic environment for women and children in detention. Participation in RHPs is voluntary. Adult males who have family members residing in an RHP are able to visit regularly with those family members.

RHPs provide women and children with housing or motel-style accommodation in a community setting, with the opportunity to live a more domestic lifestyle such as enabling them to cook their own meals. RHP participants are also able to undertake frequent trips within the local area or other locations for recreation and shopping (under the supervision of the detention services provider).

The government approved work in 2004-05 on a new residential housing project in Sydney to accommodate women and children and the development of plans for a residential housing project in Perth in 2005-06.

As at 30 June 2004, there were 15 children and 10 women residing in the RHP at Port Augusta.

Unaccompanied Minors

The department continued to implement the government's policy of assessing unaccompanied minors for eligibility to move to alternative places of detention or releasing them on bridging visas wherever possible. Within the provisions of a Memorandum of Understanding with the South Australian Department of Human Services, as at 30 June 2004 there continued to be five unaccompanied minors and six former unaccompanied minors under foster care arrangements managed by the South Australian Family and Youth Services agency (FAYS).

As at 30 June 2004, there was only one unaccompanied minor detained in a mainland immigration detention facility and he has since departed Australia voluntarily. He was a 17 year old located as a result of compliance action and had been detained for four weeks.

Bridging visas (subclass 051)

Under the Migration Regulations 1994, an unauthorised arrival with special needs may be released on a Bridging Visa E (BVE) subclass 051 where they have made a valid application for a protection visa, have not received a primary decision (or it is subject to merit or judicial review) and satisfy one of the following requirements:

- the detainee is under 18 years of age and it has been assessed by a state welfare authority that it is in the detainee's best interests to be removed from an immigration

detention facility, provided that appropriate support arrangements are in place for the detainee in the community

- the detainee has a special need in respect of which it has been certified by a departmental-appointed medical specialist that the detainee cannot be properly cared for in an immigration detention facility, and appropriate support arrangements are in place for the detainee in the community
- the detainee is over 75 and there are appropriate support arrangements in place for the detainee in the community
- the detainee is the spouse, party to a genuine and continuing relationship or member of the family unit of an Australian citizen, Australian resident or eligible New Zealand citizen, or a member of the family unit of the detainee.

As at 30 June 2004, there were 36 detainees who had been released from immigration detention and were living in the community on a BVE (subclass 051). During 2003-04, 35 BVEs were granted allowing 13 men, seven women and 15 children to be released from detention into the community.

There are separate BVE provisions for those already in the Australian community at the time they are detained.

Decommissioning of Detention Facilities

The continued reduction in unauthorised arrivals combined with an increase in the processing of visa applications and removals allowed for further consolidation of the detainee population in 2003-04. The Port Hedland IRPC and the Woomera and Port Hedland RHPs were decommissioned. The transfers of detainees to other facilities were effectively managed.

OUTPUT 1.3 – ENFORCEMENT OF IMMIGRATION LAW

1.3.1 REGULATE ENTRY AND DEPARTURE

Performance Information

MEASURES		RESULTS
Output 1.3.1 Regulate Entry and Departure	Quantity: 17,759,000 passenger arrivals/ departures.	18,579,685
	10,252,000 ETAS Checks & Advance Passenger Processing transactions.	16,748,721
	Quality: 95% of all inward passengers to be processed through the Primary Line within 30 minutes of their arrival.	95%
	Percentage of inward passengers advanced passenger processed.	96%
	Continuous provision of a helpdesk function for airline staff and external agencies for the resolution of identity and immigration status concerns.	Achieved

Objective

To provide efficient and orderly immigration processing while ensuring an effective screen against those who have no entitlement to enter the country.

Description

The department uses leading-edge technology to deliver a secure immigration processing system which is as non-intrusive as possible for genuine travellers. The department works in tandem with the Australian Customs Service (ACS) to provide a streamlined immigration clearance process. To achieve these goals, the department has established cooperative relationships with airlines and more recently the cruise shipping industry and invested in systems which enable checks of travellers' immigration status before they board planes and cruise ships to Australia.

Analysis of Performance

In 2003-04 there were 18.58 million air passenger and 1.08 million aircrew arrivals and departures compared with 16.58 million air passenger and one million aircrew arrivals and departures in 2002-03. This represented an increase of 12 per cent in passenger numbers. The increase reflects international passenger trends.

Primary Line Facilitation Rate

All passengers are required to undergo immigration, customs and quarantine clearance formalities at the border prior to entering Australia. The ACS measures the facilitation rate of international air passengers processed through the border. In 2003-04, ACS advise that 95 per cent of arriving passengers were processed within 30 minutes of arriving at the border.

Advance Passenger Processing (APP) System

APP is a key element of border processing, providing the capacity to pre-check passengers before they travel to Australia. System enhancements were introduced in January 2004, requiring airlines to provide APP information on all passengers and crew and, for the first time, international cruise ships were required to provide APP information in respect of passengers and crew.

Some 96 per cent of air arrivals were covered by APP as at 30 June 2004, an increase from 94 per cent in 2002-03 and 65 per cent in 2001-02.

During the cruise shipping season, from January to March 2004, APP reporting covered 10,835 crew and 17,176 passengers arriving by sea, enabling 99.7 per cent of all passengers to be processed by APP.

The Internet - Electronic Travel Authority (Internet-ETA)

The department developed the Internet-ETA facility to facilitate visa access to low-risk clients.

Initially, ETAs were only available from airlines, travel agents or Australian missions overseas. ETAs are now available over the Internet, providing clients with convenient access to an ETA anywhere in the world. The Internet-ETA system mirrors the 'standard' ETA system and has been developed to maximise client service while maintaining the overall integrity of the ETA system.

Clients are still checked against all immigration warning lists and APP processing at the check-in counter offshore ensures that border integrity is not compromised. ETA visas have been available on the Internet

since May 2001 and there has been continued growth in the take-up rate since inception.

Approximately 9.1 per cent of all ETAs are now obtained via the Internet and some 2.75 million ETAs were issued in 2003-04, an increase of 2.2 per cent over 2002-03.

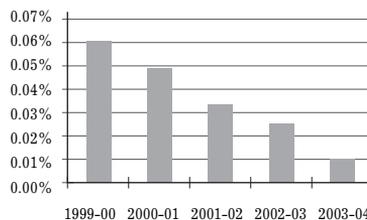
Infringement notices

The *Migration Act 1958* provides for penalties on carriers who bring inadequately documented passengers to Australia. Where a carrier brings an inadequately documented or undocumented passenger to Australia, the master, owner, agent, charterer and operator of the vessel on which the person travelled are each guilty of an offence and liable, upon conviction, to a fine of up to \$10,000. As an alternative to prosecution carriers may elect to pay a prescribed penalty of \$5,000 for a body corporate or \$3,000 for a person.

The number of infringement notices served on airlines for bringing improperly or undocumented passengers into Australia dropped significantly from 2,354 in 2002-03 to 1,211 in 2003-04, representing a decrease of over 48 per cent. At their peak in 1999-2000 over 5,000 infringement notices were issued.

FIGURE 12

NET INFRINGEMENT NOTICES AS A PERCENTAGE OF PASSENGER AIR ARRIVALS



Source: Airport Policy Section, DIMIA

The department devotes considerable resources to assisting carriers to comply with the requirements imposed by the *Migration Act 1958*. The Entry Operations Centre (EOC) provides a 24 hours a day, seven days a week help desk facility and is able to provide airline staff with information about the immigration status of individuals intending to travel to Australia.

Documentary Requirements for Maritime Crew

From 1 November 2003 visiting seafarers have been required to present both a valid passport and another identity document linking them to the ship on which they are employed. Industry has been supportive and there has been almost complete compliance. From 1 July 2004, enforcement action will include restriction on board, the prevention of shore leave and penalties for carriers in relation to seafarers arriving without adequate documentation.

Regional Cooperation - Advance Passenger Information (API) Systems

Australia continued to promote the implementation of API within the Asia-Pacific Economic Cooperation (APEC) group. The implementation of API systems was endorsed as a 'Pathfinder Initiative' by APEC leaders in their declaration of 27 October 2002 in Los Cabos, Mexico and reaffirmed in October 2003 at the Leaders' Meeting in Bangkok. APEC economies are now moving to develop and implement national API systems in accordance with national priorities and at different rates.

For many APEC economies, the first stage in developing an API system is to have Australia undertake an API Feasibility Study to determine the capacity of the economy to implement API. The API Feasibility Study program provides Australia with an important

opportunity to work cooperatively with other APEC economies in the development of API systems in the Asia-Pacific region.

In this way, Australia is contributing to the development of significantly enhanced border management systems in the region. The progressive implementation of API will strengthen regional border control processes thereby enhancing Australia's capacity to manage its own borders.

Australia conducted three API Feasibility Studies in 2003-04, South Korea (July 2003), Chile (September 2003) and Chinese Taipei (October 2003). A study will take place in the PRC in July 2004 and further studies are planned for 2004-05.

The studies have identified a wide range of issues that national governments will need to address as they consider developing their own API systems. Issues included the legal and procedural environment of the country and the state of current immigration systems infrastructure. Each national government is now considering its study report.

2006 Commonwealth Games

Building on the success of the management of entry services for the 2000 Sydney Olympic and Paralympic Games, the department is now working with other agencies to plan for the 2006 Melbourne Commonwealth Games. The department will provide enhanced border functions for the Commonwealth Games including additional staff at airports both onshore and offshore and the development of the Commonwealth Games Travel Authority system, a system specifically designed to facilitate the security checking and travel of Commonwealth Games athletes, coaches and other officials.

1.3.2 PREVENT UNLAWFUL ENTRY

Performance Information

MEASURES		RESULTS
Output 1.3.2	Quantity: 916 persons refused entry (excluding unauthorised boat arrivals).	1,241
Prevent Unlawful Entry	1,000 unauthorised boat arrivals (Indonesian fishermen and stowaways).	1,025
	Quality: Proportion of arriving passengers referred at the border for reasons which could have been detected at point of embarkation against all arriving passengers referred at the border.	0.2%
	Number of unauthorised arrivals detected at the border.	369
	Delivery within 15 working days of the end of each month of movements data acceptable to the Australian Bureau of Statistics.	Achieved

Objective

To deliver on Australia's commitment to border protection.

Description

The department has established offshore and border operations to identify and detect people who have no entitlement to enter Australia and to prevent their entry. The department employs a range of strategies to detect and prevent unlawful entry through the use of deterrence and the enforcement of law as well as engaging other countries in efforts to deal effectively with irregular flows of people.

The department's operations are concentrated on:

- preventing unlawful entry by people who are improperly documented, constitute a threat to the community

on national security grounds, criminal background or otherwise fail to meet the requirements for entry

- preventing people smuggling activities
- combating unauthorised boat arrivals through prevention and deterrence strategies
- assisting in the prevention of fraud against the department's visa programs.

Analysis of Performance

Refused Immigration Clearance

In 2003-04 there were 1,241 people refused immigration clearance at Australian airports. This was an increase of 24 per cent compared to the 937 people refused in 2002-03.

This increase resulted from a number of factors including sophisticated fraud detection measures, closer scrutiny of some

profiles and an increase in total passenger arrivals, although partly offset by lower numbers of undocumented passengers.

In 2003-04, 98 per cent of those refused immigration clearance at Australian airports were returned within 72 hours, in most cases on the next available flight, the same as in the previous year.

Deserters and Stowaways

In 2003-04, 24 deserters and 11 stowaways were located, compared to 13 and 16 respectively in 2002-03.

Airline Liaison Officer Network

Airline Liaison Officers (ALO) conduct document screening of many Australia-bound passengers at key international gateways. They provide advice to airlines and to host governments on passenger documentation issues, and by their visible presence, deter the activities of those involved in people smuggling.

In 2003-04, 242 persons attempted to travel to and enter Australia on forged or fraudulent documentation. This represents a reduction of 22 per cent on the 2002-03 figure of 311, suggesting better offshore and onshore screening is providing a significant deterrent to those seeking to use these documents.

Of the 242 persons identified, ALOs interdicted 223 (92 per cent) compared to 288 (92 per cent) in 2002-03. In 2003-04, 19 of those travelling on forged documents were identified on arrival compared with 23 in 2002-03.

In some locations Australia's ALOs work cooperatively with the ALOs of other countries, thus contributing to international action against people smuggling. In 2003-04

Australian ALOs assisted in the interdiction of 1,613 persons. This compared with 1,256 persons in 2002-03.

The ALO network comprises 16 ALOs at 11 locations including Bangkok, Singapore, Hong Kong SAR, Nadi, Seoul and Kuala Lumpur. Two additional ALO positions were established during 2003-04:

- in Jakarta from July 2003, complementing the ALO position in Denpasar reflecting Australia-Indonesia cooperation to combat irregular migration and people smuggling
- an ongoing ALO position commenced in Port Moresby in January 2004 following government consideration of irregular people movement issues in the region.

War Crimes Screening

A War Crimes Screening Unit was established in 2002 to screen applicants and advise decision-makers on this aspect of character checking.

War crimes screening pays particular regard to applicants from regions where conflicts led to human rights abuses. Individuals suspected of having been involved in war crimes are listed on the department's Movement Alert List (MAL). There are currently over 7,000 names on MAL related to war crimes and crimes against humanity. During 2003-04, 726 cases were referred to the Unit for screening advice. This represents an increase of 69 per cent over 2002-03.

Applicants from the former Yugoslavia may also have their details referred to the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague. Details of 183 applicants from the former Yugoslavia were referred to the ICTY during 2003-04.

Review of the Movement Alert List

The Movement Alert List (MAL) administered by the department, is a computer database that stores details about people and travel documents of immigration concern to Australia. MAL is a key element of Australia's national security and border integrity, and is integrated with the department's visa issuing and border entry processes.

The 2003-04 Budget provided funding of \$1.4 million for a review of the operation of MAL, to report on both the efficacy of current operations and make recommendations on the future development of the system. The review commenced in August 2003 and completed at the end of August 2004.

Establishment of new Centre for Offshore Character Assessment

A new section 501 Offshore Character Assessment Unit was established in the department's Brisbane Office in January 2004. The unit is responsible for all offshore cases to be refused on character grounds. This is a complex caseload which is encountered infrequently by most posts. Centralisation aims to improve the quality, integrity, consistency and timeliness of decision-making.

Since commencing operations, 356 cases have been referred to the unit of which 252 have been finalised.

In 2003-04 there were 60 removals of persons who had their visas cancelled under section 501 of the *Migration Act 1958*.

Compliance training for overseas staff

The department provides compliance training to enhance the ability of staff to detect fraud in documents submitted with visa applications. In 2003-04, 29 Airline

Liaison Officers, 58 DIMIA officers posted overseas and 44 Locally Engaged Employees attended compliance training courses in Canberra. In addition, the department trained 10 Indonesian airline check-in supervisors in document examination techniques. This training is another example of Australia-Indonesia cooperation to combat irregular migration, people smuggling and people trafficking.

Document Examination

The department is enhancing its capacity to reduce the incidence of document fraud through a number of initiatives:

- networking, within the department, of a database system of travel documents (which is currently in standalone form) from all parts of the globe
- development of an electronic database for documents other than travel documents
- publishing of document alert notices (identifying fraudulent travel documents identified both on and offshore) on DIMIANet
- the development of a new diploma level course in document examination.

In 2004-05, the department will recruit up to three document examination trainees who will undertake a 3-5 year training program.

The department's document examination training expertise is internationally recognised and is a key component of the department's capacity-building initiatives in countries such as Indonesia, Afghanistan and Papua New Guinea. In 2003-04, Australia was the lead country in developing standards within APEC for Travel Document Security.

In 2003-04, document examination training took place in 19 locations overseas over 23 weeks covering 11 countries. The department provided 372 officers from foreign immigration services with three days training in advanced document examination with 30 of those trainees also being involved in document examination laboratory training. In addition, training was provided in Australia to Singapore immigration officials and officers from Attorney General's Department, DFAT and the Australian Federal Police.

Enhanced Cooperation Program

In December 2003, the governments of Australia and PNG agreed on an Enhanced Cooperation Program designed to strengthen PNG's efforts in the key areas of economic and financial management, law and order and border security.

- A departmental official started working in February 2004 in the Immigration Division of the PNG Department of Foreign Affairs and Immigration.
- A further three officials from the department are expected to be deployed to PNG to assist in strengthening PNG's border management.
- The International Organization for Migration (IOM) is undertaking a comprehensive study of PNG's border management structures.

1.3.3 DETECTION ONSHORE

PERFORMANCE INFORMATION

MEASURES		RESULTS
Output 1.3.3 Detection Onshore	Quantity: 8,150 field locations	8,840
	7,620 self referrals	11,163
	1,885 illegal worker warning notices	1,900
	Quality: Percentage of compliance cases where a lawful outcome achieved within 4 weeks of location.	38%
	Percentage of field locations found to be working illegally.	36%
	Median identified period of overstay.	37 months
	Number of Employer Awareness visits conducted.	2,391
	Provision of work rights checking facilities to employers. Number of requests.	49,740
	Number of Illegal Worker Warning Notices issued to employers.	1,900

Objective

To identify and respond to breaches of immigration law in Australia. To detect and locate persons who:

- have no lawful authority to be in Australia
- have remained in Australia after their visa has expired (overstayers)
- are in breach of conditions which apply to their visa (eg. illegal workers).

Description

The department aims to prevent and deter breaches of immigration law. Where this is not possible this output component detects and locates those who have breached immigration law. People found in breach of immigration law may have their visas

cancelled, be removed from Australia and face prosecution. This output component also incorporates the investigation and prevention of organised fraud and immigration malpractice in the Australian community.

Analysis of Performance

The number of overstayers at 30 June 2004 was estimated to be under 51,000, a significant decrease on the estimate of 59,800 as at 30 June 2003. 'Overstayers' are people suspected of remaining in the Australian community unlawfully after their temporary visa expires. The estimate does not include around 330 overstayers in immigration detention at the estimate date.

This fall occurred largely because of improvements in data quality following the initiation of an overstayer project in August 2002. The overstayer estimate is based on immigration records going back to 1981. In that time there have been around 260 million passenger and crew movements across Australia's borders, including many millions of non-citizens entering Australia temporarily. This suggests an error rate of less than one thousandth of a percentage point over time.

Mismatches of non-citizen departures against arrivals are not common, but accumulate over years. Common causes of mismatches are changes in name or passport details after arrival in Australia, or arrivals by air followed by departure by sea as a crewmember of a ship. The overstayer project has successfully used a number of methods to validate data that has been collected by the department since 1981, including contact with other governments.

The reductions are consistent with falling non-return rates and significantly increased compliance action in recent years.

In 2003-04 the department located 20,003 persons who had either overstayed their visa or were in breach of their visa conditions. This is a seven per cent reduction on the numbers located in 2002-03. This follows increases of nearly 25 per cent from 2001-02 to 2002-03. The number of people who approached the department of their own accord, including following notification of intention to cancel, or because of requests to attend, decreased by nine per cent over the previous year. Locations in the field decreased by five per cent. Out of 8,840 field locations, 36 per cent were recorded specifically as working illegally.

Of the 20,003 people located in 2003-04, some 12,978 were issued bridging visas. Bridging visas can be granted for a person to lodge a substantive visa application, make arrangements to depart Australia, or where they are pursuing merits or judicial review of a visa decision.

A major focus over the last twelve months and a continuing strategy was the focus on "intermediaries" such as employers, migration agents and education providers who can play a strong role in assisting people to adhere to migration law. We sought to maximise these opportunities and take action where appropriate, for example against migration agents involved in immigration fraud.

As a result of engagement with some industries, previous problem areas are no longer presenting significant challenges in the employment of illegal workers. In New South Wales, for example, fewer people are being located working illegally in the taxi and security industries and employers in the asparagus harvest in Jugiong are actively checking employees' work rights.

Employers

The department conducts employer awareness training sessions to educate employers about work rights with the aim of reducing the number of illegal workers. The department delivered 2,391 employer awareness sessions in 2003-04, in comparison to 2,314 in 2002-03, primarily in businesses where illegal workers had previously been located. These sessions also inform employers and labour suppliers about the work rights checking facilities provided by the department. Employers continue to take advantage of the Employer Work Rights Fax-Back Facility and the

Employer Work Rights Checking Line, with 49,740 requests dealt with during the year.

Illegal Worker Warning Notices are issued to employers or labour suppliers who have employed or referred illegal workers. The warning notice advises employers that they have employed an illegal worker and advises of the possibility of further prosecution. In 2003-04 the department issued 1,900 notices, an increase of 17 per cent over 2002-03. A total of 367 employers received more than one notice.

The largest numbers of warning notices were issued in the following industries:

- Accommodation, Cafes and Restaurants
- Manufacturing
- Agriculture, Forestry and Fishing
- Construction
- Personal and Other Services (Sex Industry).

The focus on employer awareness of illegal worker issues will continue in the coming year.

Data-matching

Data-matching with other government agencies, for example the Australian Taxation Office (ATO), is improving the quality and timeliness of information held by the department on unlawful non-citizens and persons working in breach of their visa conditions and is of great assistance in locating these persons. Data-matching is limited by the (Commonwealth) Privacy Act 1988 which restricts the number of records which can be matched and the basis upon which data-matching can occur. The department is currently exploring data sharing arrangements through Memoranda of Understanding with other Commonwealth and state and territory agencies. Data-matching has also proved of assistance in

managing specific compliance caseloads such as persons involved in large class actions before the courts. The department has developed a database to track people involved in class actions which will assist in locating them to resolve their status in Australia once all litigation has been finalised.

Joint Operations

The department, as a member of the Cash Economy Working Group, continues to work closely with Centrelink, the ATO and the Department of Employment and Workplace Relations in locating and targeting people working in the cash economy. Regular meetings are held to discuss mutual issues of concern and joint field operations conducted throughout Australia.

Immigration Dob-in Line

The Immigration Dob-in Line was launched by the Minister on 19 February 2004. Up until the end of June, the Line received an average of around 570 calls per week. Of these around 23 per cent were referred to compliance areas.

Students

In 2003-04 the number of student visa cancellations was 8,245. This was almost unchanged from 8,204 in 2002-03.

The stable rate reflects the maturing of arrangements introduced in 2001, which provide for the automatic cancellation of visas for overseas students who fail to meet the minimum class attendance requirement or achieve satisfactory academic results, as required by student visa condition 8202. Condition 8202 provides that a visa holder must satisfy course requirements and attend at least 80 per cent of scheduled course hours.

Education providers must report students in breach of condition 8202 to the department. In all these cases the student is given a notice of breach. If a student fails to comply with the notice or explain the breach their visa is automatically cancelled under section 137J of the *Migration Act 1958*. Automatic cancellation enables a rapid response to breaches of condition 8202, reducing the volume of resources required to follow up non-complying students. In 2003-04:

- 2,269 students had their visas cancelled automatically under s137J of the *Migration Act 1958*. This compares to 2,360 in the previous year and represents 27.7 per cent of all student visa cancellations made in 2003-04
- cancellations of student visas under other provisions of the *Migration Act 1958* (sections 109, 116, 128, 140, 501) increased by 2.3 per cent from 5,844 in 2002-03 to 5,977 in 2003-04. These provisions allow for visa cancellation on a number of grounds, including provision of incorrect information, failure to comply with visa conditions, no longer undertaking studies and character.

Compliance Training

The department provides compliance training in its state and territory offices to ensure staff understand their delegated powers and how to properly exercise them to detect and locate unlawful non-citizens and non-citizens breaching their visa conditions. Onshore compliance officers complete a two-week full time Certificate IV in Government (Statutory Investigation & Enforcement) which is divided into two modules – one suitable for field officers and the other for team leaders.

The aim is to ensure that by the end of 2004-05 all compliance staff are fully trained in appropriate compliance operational procedures.

At June 2004, 197 field officers had completed Module 1 and 66 team leaders had completed Module 2, 46 of whom met all the requirements for certification. A version of the Module 1 course customised to address the particular needs of compliance staff working in the Torres Strait, was also delivered on Thursday Island to the Movement Monitoring Officers.

1.3.4 REMOVALS

Performance Information

MEASURES		RESULTS
Output 1.3.4	Quantity: 10,870 removals and departures.	12,689
Removals	1,226 compliance intervention cases finalised.	799
	Quality: Period of detention for compliance cases removed.	34 days
	Removals of compliance cases as a percentage of compliance detainees.	69.08%
	Proportion of persons who are granted a Bridging Visa E for departure and who subsequently depart.	59.68%

Objective

To give effect to the requirement in migration legislation that non-citizens who have no basis to remain in Australia are removed. This output component also delivers security to the community through the removal or deportation of non-citizens who may be of concern to the public for reasons such as involvement in serious criminal activity.

Description

Removals fall into the following categories:

- removal of non-citizens unlawfully in Australia, because they are overstayers or they have had their visas cancelled. Such removals include monitored and supervised departures
- removal of people who arrived in Australia without authorisation and who do not engage Australia's protection obligations
- removal of people whose visas have been refused or cancelled on the basis of criminal or other character related reasons, or those subject to criminal deportation orders.

The last group are subject to section 501 of the *Migration Act 1958* (which deals with a number of character related issues and under which visas, including permanent visas, may be cancelled or refused) or sections 200 and 201 (which contain powers to deport non-citizens who commit a crime resulting in a prison sentence of 12 months or longer in their first 10 years of permanent residence in Australia).

The central tenet of the application of these provisions, and the removal of persons subject to them, is concern for the safety and welfare of the community. A decision to cancel a visa or deport balances these factors against the rights of the individual to remain in Australia and is never taken lightly.

There are highly successful arrangements with most countries to effect the removal of unauthorised arrivals. Departmental staff liaise with foreign missions in Australia and directly with foreign agencies offshore to facilitate return.

Analysis of Performance

In 2003-04 there were 12,689 removals and departures of persons who had no authority to remain in Australia, compared to 13,878 in 2002-03 and 10,894 in 2001-02.

Section 501 cases encompass a range of character related issues ranging from serious criminal conduct to identity fraud. The total number of removals following section 501 cancellation action in 2003-04 was 60. This compares to 79 in 2002-03.

Persons who were located but not removed were dealt with in a variety of ways. Some remained in immigration detention pending their removal from Australia. Others were granted bridging visas to allow for voluntary departure from Australia or consideration of substantive visa applications or for completion of merits or judicial review proceedings.

In 2003-04, 103 persons who had earlier arrived as unauthorised boat arrivals were removed from onshore detention centres compared with 182 in 2002-03 and 308 in 2001-02. The decrease can be attributed to a declining detention population of unauthorised boat arrivals, acceptance of reintegration packages and those remaining pursuing appeals through the judicial system.

1.3.5 DETENTION

Performance Information

MEASURES		RESULTS
Output 1.3.5 Detention	Quantity: 97,000 unauthorised boat arrival detainee days.	148,392
	250,000 non-boat detainee days in Immigration Detention Centres and other state facilities.	262,705
	Quality: Memoranda of Understanding (MOU) with relevant state authorities completed, including education, police, corrections, child welfare and health issues.	MOU signed with South Australia in relation to the care of minors in alternative detention arrangements. MOU for cooperative arrangements for policing services in South Australia nearing completion. MOUs with Victoria and Western Australia on child protection and welfare nearing finalisation.
	Manage the delivery of detention services in accordance with the Immigration Detention Standards and other contractual requirements, with any breaches addressed.	Fulfilment of current detention contract requirements occurred, any breaches addressed.
	All unaccompanied minors and women and children assessed against relevant instructions for alternative detention arrangements.	Marked reduction in number of women and children in detention centres due to the establishment of further Residential Housing Projects, foster care arrangements for children with state child welfare authorities, and community care placements for those with special needs.
	All cases for people in detention reviewed regularly to ensure progress of relevant processes.	Enhanced focus on case management of those in detention (eg Case Management Pilot at Baxter Immigration Detention Facility). Increased emphasis on careful monitoring of detention caseloads by Detention Review Committees and through the creation of a Detention Case Coordination Section within the department. Continuation of special arrangements with countries to effect the removal of unauthorised arrivals, including the offer of reintegration packages.

Objective

To provide lawful, appropriate and economic detention of unlawful non-citizens.

Description

To detain unlawful non-citizens as required under Commonwealth legislation.

Analysis of Performance**Caseload Management**

In 2003-04, a total of 7,492 people were detained at some time during the year, compared to 7,934 in 2002-03 and 10,897 in 2001-02. The maximum number detained on any one day was 1,263 compared to 1,409 in 2002-03 and 3,667 in 2001-02.

The number of persons in detention at 30 June 2004 was 1,143, of whom 16 had applied for a protection visa but had not yet received a primary decision on that application. This compared with 1,311 as at 30 June 2003 with 11 awaiting a primary decision and 1,414 as at 30 June 2002 with 26 awaiting a primary decision.

A number of factors contributed to the significant reduction in the number of persons in immigration detention. These include the finalisation of many protection visa applications, the reduction of unauthorised boat arrivals and the continuation of repatriation packages for unlawful non-citizens.

The substantial changes to the immigration detainee population resulted in a challenging caseload. Unauthorised arrivals have generally been here for extended periods but found not to have valid claims to remain in Australia. An increased number of persons were detained due to visa cancellations on the basis of character concerns. Also, the caseload included a high

number of persons who had been living in the community and overstayed or breached visa conditions.

Most of these persons are granted bridging visas, which allow them to remain in the Australian community pending their departure from Australia or consideration of a substantive visa application, including merits or judicial review proceedings. Only a small percentage of locations result in detention and the admission of women and children into detention is undertaken only as a last resort. Well over 80 per cent of women and 93 per cent of children located in compliance activities were not admitted to an immigration detention facility in 2003-04.

The department worked actively to implement the government's commitment to developing innovative alternative detention strategies for women, children and detainees with special needs.

There are currently a number of alternative detention arrangements including a Residential Housing Project (RHP), foster care arrangements with state welfare authorities and community care placements for people with special needs.

The year saw an enhanced focus on case management of those in detention. This entails close liaison with those inside the department such as case coordinators both in Canberra and on site, and cooperation with stakeholders outside the department such as state child welfare authorities. All cases for people in detention are reviewed regularly to ensure progress of relevant processes, consideration of alternatives to detention and pursuit of removal options. In addition, all unaccompanied minors, women and children continued to be assessed

against relevant instructions for alternative detention arrangements, as are options for detainees with special needs.

A case management pilot was introduced at Baxter Immigration Detention Facility (IDF) in October 2003. The pilot consists of regular communication between departmental staff and detainees. Initial results indicate that there has been significant progress in relation to a number of cases, an enhancement of the capacity to deal with detainee needs and a decrease in complaints referred by the Ombudsman and Human Rights and Equal Opportunity Commission (HREOC). A formal review of the pilot will be made in the year ahead.

Formal Arrangements with State Authorities

The department continued to pursue formal arrangements with state authorities for education, policing, corrections, child welfare and health issues. For example, a Memorandum of Understanding (MOU) was signed with South Australia in relation to the care of minors in alternative detention arrangements (home-based foster care), cooperative arrangements for policing services in South Australia became operational (MOU nearly finalised), and MOUs with Victoria and Western Australia on child protection and welfare were nearing finalisation.

Public Scrutiny

The department responded to increasingly complex and higher levels of public scrutiny, (Ministerial correspondence, HREOC and Ombudsman complaints). This included substantial submissions and responses to the HREOC Inquiry into Children in Immigration Detention, the report of which was tabled in Parliament on 13 May 2004. Responses were also sent in relation to

inquiries received from State authorities, including the WA Office of Health Review, the NSW Health Care Complaints Commission and the Crime and Corruption Commission of WA.

Education of Children in Detention

As at 30 June 2004, 55 (all except one) school-aged children (5-18 years old) detained in immigration detention including alternative detention (RHPs, foster care or community placements) were attending external schooling in the community.

The one school-aged child not attending external schooling was a seventeen year old located as a result of compliance action who was detained for four weeks. During that time he was provided with the opportunity to access on-site education. He has since departed Australia.

Immigration Detention Advisory Group

The department continued to support the Immigration Detention Advisory Group (IDAG) in its provision of advice to the Minister on detention issues including enhanced case management and alternate places of detention models, infrastructure issues and continuing support for the establishment of further residential housing projects for women and children. IDAG completed a comprehensive program of visits to immigration detention facilities in line with its terms of reference.

Detention Services Contract

GSL (Australia) Pty Ltd replaced Australasian Correctional Management (ACM) Pty Ltd as the detention services provider. Transition to the new provider took place progressively during the period December 2003 to February 2004. A greater level of reporting and clarity of service

delivery expectations from the detention services provider was built into the contract through enhanced Immigration Detention Standards, which are the subject of an extensive contract monitoring regime.

The Australian National Audit Office (ANAO) Audit of Management of Detention Services Contract

ANAO tabled its audit report into the management of the detention centres contracts with ACM on 18 June 2004. While the report was critical of the contract management, the audit did not examine the extent to which improvements or suggested changes have been incorporated into the current detention services contract with GSL. The department agreed to all the recommendations made in the report and noted that many of the concerns were already addressed in the new contract with GSL. (Refer Part 3, p192)

Services and Infrastructure

The department continued to ensure that all persons detained were provided with accommodation, food, amenities and access to health, medical and educational services consistent with the Immigration Detention Standards.

The refurbishment of existing detention facilities continued during the year. Planning continued on improving the efficiency and amenity of existing detention centres in Sydney (Villawood Immigration Detention Centre) and Melbourne (Maribyrnong Detention Centre), mainly to deal with authorised arrivals who have overstayed visa or breached visa conditions.

In the year ahead work will also commence on a new residential housing project in Sydney to accommodate women and

children. Plans will be developed for the development of a residential housing project in Perth in 2005-06. The department will also be implementing the Long Term Detention Strategy announced in the 2004-05 Budget.

1.3.6 LITIGATION

Performance Information

MEASURES		RESULTS
Output 1.3.6	Quantity: 3,500 matters resolved*	5,284
Litigation	Quality: Percentage of matters resolved in the Minister's favour.	92%
	90% of timetables and directions imposed by the courts will be met within the extension period agreed by the Court.	100%

* Includes matters resolved by the courts and AAT.

Objective

To:

- effectively manage migration and citizenship litigation in the courts and the Administrative Appeals Tribunal (AAT)
- provide timely analysis and reporting of litigation decisions.

Description

This output component supports Ministerial and departmental decisions challenged in the courts and the AAT and keeps the Minister and the Executive informed of progress. Where applicants challenge decisions, each case is reviewed before hearing to ensure the decision is defensible. Analysis and feedback on litigation decisions help identify and minimise legal problems and improve effectiveness of departmental decision making. Timely reporting on litigation decisions contributes to the effective immigration processing of those people seeking to enter or remain in Australia.

Analysis of Performance

Courts

- 4,991 applications and appeals to the courts were lodged against department or tribunal decisions. This compares with 6,351 for 2002-03.
- 4,709 matters were resolved in the courts. This compares with 4,363 for 2002-03
 - of those matters decided at hearing 94 per cent were in favour of the Minister. This compares with 92.5 per cent for 2002-03.
- There were 3,935 active cases before the courts as at 30 June 2004. This compares with 3,165 at 30 June 2003.

Administrative Appeals Tribunal

- 406 applications to the AAT were lodged against department or tribunal decisions. This compares with 520 for 2002-03.
- 575 matters were resolved in the AAT. This compares with 403 for 2002-03

- of those matters decided at hearing 62 per cent were in favour of the Minister. This compares with 66.4 per cent for 2002-03.

- There were 277 active cases before the AAT as at 30 June 2004. This compares with 448 active cases before the AAT as at 30 June 2003.

OUTPUT 1.4 – SAFE HAVEN

Objective

To provide temporary safe haven in Australia for people displaced by upheaval in their country.

Description

This output provides temporary safe haven in Australia for those people who have been displaced by upheaval in their countries and for whom the government considers the most appropriate assistance to be temporary haven.

The majority of the people who came to Australia in 1999 under the safe haven arrangement have returned to their home countries, or have been allowed to remain in Australia temporarily to enable them to undergo medical treatment and psychological counselling under the temporary humanitarian concern subclass of the Humanitarian Program.

A small number of persons remain on Safe Haven visas pending return to their home country or resolution of their status.

Analysis of Performance

As at 30 June 2004, 20 persons held Safe Haven visas. This is an increase of two on the number at 30 June 2003.

KEY HIGHLIGHTS – OFFSHORE ASYLUM SEEKER MANAGEMENT

OFFSHORE PROCESSING

Since the government's offshore processing strategy came into operation (late September 2001), 1,547 people have been accommodated in offshore processing centres (OPCs) in Papua New Guinea (PNG) and in Nauru. Their claims for refugee protection have been considered by Australian authorities and the Office of the United Nations High Commissioner for Refugees (UNHCR). Of the 1,547 people, some 839 have been resettled. In 2003-04, 122 were resettled variously in Australia, New Zealand, Sweden and Canada. Of the 122, 90 were assessed as refugees, while 32 non-refugees were resettled in New Zealand and Canada under humanitarian or other programs.

A re-examination by UNHCR of Afghan cases in Nauru, for which it carried responsibility, was prompted by changes in some parts of Afghanistan. All 22 cases examined by UNHCR were found to be refugees. On the basis of these changes, DIMIA undertook a re-examination of its remaining caseload of 175 Afghans, with 146 found to be refugees and 29 again found not to be in need of protection.

Of those accommodated in OPCs who were found not to be in need of protection, 93 returned voluntarily to their country of origin or to a third country during 2003-04. The population at 30 June 2004 was 225, comprising 92 non-refugees and 133 refugees awaiting resettlement.

OUTPUT 1.5 – OFFSHORE ASYLUM SEEKER MANAGEMENT

1.5.1 OTHER COUNTRIES

Performance Information

MEASURES		RESULTS
Output 1.5.1	Quantity: n/a	
Other Countries	Quality: Effective support is provided to allow persons in offshore processing centres to be appropriately accommodated, cared for and given the opportunity for any asylum claims to be considered.	<p>Appropriate health, welfare, education, catering and infrastructure services delivered by IOM.</p> <p>All the residents of the OPCs have had their asylum claims considered by either UNHCR or the department, including a review of primary decision, if sought. In light of changes in some parts of Afghanistan, UNHCR and the department also undertook a re-examination of their Afghan caseloads in Nauru.</p>

Objective

To facilitate the effective operation and management of offshore processing centres for asylum seekers in third countries.

Description

Effective support is provided to allow persons in offshore processing centres to be appropriately accommodated, cared for and given the opportunity for any asylum claims to be considered.

Analysis of Performance

The offshore processing centres in Nauru and Papua New Guinea have been effective in delivering offshore asylum seeker processing.

The centres are managed by the International Organization for Migration (IOM) at the invitation of the governments of

Nauru and PNG. Initial agreements between Australia and the governments of Nauru and PNG signed in 2001 have been extended on a number of occasions. The governments of Australia and PNG extended the Memorandum of Understanding (MOU) on access to the processing facility in Manus Province, until 21 October 2004. In February 2004, the MOU with the government of Nauru was extended until June 2005.

The department maintained a liaison presence in Nauru to facilitate management interactions on the ground and to enable quick coordinated responses to operational matters, such as medical evacuations. This presence, combined with DIMIA-hosted inter-agency coordination meetings, resulted in a high level of cooperation between the many stakeholders involved in the various aspects of OPC management.

The MOUs with Nauru and PNG provide for the accommodation of up to 2,500 people – 1,500 in Nauru and 1,000 in PNG. The combined population of the OPCs decreased from a peak of 1,515 people in February 2002, to 225 at 30 June, all of whom were in Nauru.

The decrease reflected a continued pattern of resettlement and return during this financial year. The population at 30 June 2004 was made up of 162 Afghans, 56 Iraqis, three Bangladeshis, one Palestinian, two Iranians and one Pakistani. Men numbered 141, women 29 and children 55, of whom three were unaccompanied minors. Of this population, 133 were awaiting resettlement as refugees, all of whom were Afghans.

All the residents of the OPCs have had their asylum claims considered by either the UNHCR or the department, including a review of primary decision, if sought. In light of changes in some parts of Afghanistan, UNHCR re-examined its remaining Afghan cases in Nauru. On the basis of these changes, the department also undertook a re-examination of its Afghan caseload. As a result of this process a total of 168 people were reassessed as refugees; 22 by the UNHCR and 146 by the department.

A number of associated infrastructure upgrading projects were completed. These works also provide an enduring benefit to the local communities and included upgrading key electricity, water and sewerage infrastructure and some associated civil works. Training was also provided to local police, improvements were made to security management infrastructure and some assistance was provided to local medical facilities.

1.5.2 OFFSHORE TERRITORIES

Performance Information

MEASURES		RESULTS
Output 1.5.2	Quantity: n/a	
Offshore Territories	Quality: Persons in offshore territories provided with appropriate accommodation, cared for and given the opportunity for any asylum claims to be considered.	<p>In July 2003, 53 unauthorised boat arrivals, intercepted on the west coast of Australia, were accommodated at the Christmas Island Immigration Reception and Processing Centre.</p> <p>All persons processed in excised offshore places have access to a robust refugee status determination process and have received proper protection and support while their claims for protection are being determined. In 2003-04, 53 asylum seekers' claims were assessed in excised offshore places (compared to 57 in 2002-03). Of these nine were assessed as requiring refugee protection (compared to nine in 2002-03). They were subsequently resettled in Australia.</p>

Objective

To facilitate the effective management and operations of processing centres in offshore territories.

Description

Providing effective support for the management of asylum seekers in offshore territory processing centres to facilitate their appropriate accommodation, care, consideration of their claims for refugee status and their subsequent resettlement or return.

Analysis of Performance

The temporary Christmas Island Immigration Reception and Processing Centre (IRPC) has capacity for 208 persons. Design development was progressed for the construction of a permanent Christmas Island IRPC with a capacity for some 400 persons in permanent accommodation, plus another approximately 400 in contingency accommodation. While responsibility for the delivery of the IRPC is with the Department of Finance and Administration, DIMIA has the traditional 'client' role and participates in the design of the centre. A detailed design

for the centre was endorsed by the department in June 2004, allowing further design development to proceed.

A section of the Cocos (Keeling) Island Quarantine Station continues to be held by the department as a short-term contingency facility. The facility is not occupied at present.

See Output Component 1.3.5 - Detention for information on detention operations.

OUTCOME ONE ADMINISTERED ITEM

ALLOWANCE FOR PERSONS ON TEMPORARY VISAS IN THE HUMANITARIAN PROGRAM**Performance Information**

MEASURES		RESULTS
Allowances for Persons on Temporary Visas in the Humanitarian Program	Quantity: The number assisted will depend on the number of non-citizens released from detention on subclass 785 visas or arriving on subclass 447 or 451 visas.	213 people assisted
	Quality: Payments are made in accordance with eligibility criteria.	Payments were made in accordance with eligibility criteria.

Objective

To provide a cash allowance to holders of subclass 785 Temporary Protection visas (TPVs) on their release from detention and to holders of subclass 447 or 451 secondary movement temporary visas on their arrival in Australia.

Description

A one-off cash payment to cover the living expenses of temporary humanitarian visa holders after their release from detention or arrival in Australia until their first Centrelink special benefit payment. The maximum payment of \$222 per adult and \$78 per child is reduced by a dollar for every dollar possessed by the visa holder.

Analysis of Performance

In 2003-04, 24 TPV holders received a cash allowance, compared with 250 in 2002-03. This marked reduction is attributable to a decrease in the number of TPVs granted coupled with a reduction in the number of

detainees granted TPVs who fulfilled the eligibility requirements for the allowance.

In 2003-04, 189 holders of secondary movement temporary visas received a cash allowance. By comparison, 314 received the allowance in 2002-03 at the peak of resettlement from the Manus Island and Nauru offshore processing centres.

In 2003-04, the overall expenditure was \$34,294.

OUTCOME ONE ADMINISTERED ITEM

CONTRIBUTION TO THE SECRETARIAT FOR THE INTER-GOVERNMENTAL CONSULTATIONS ON ASYLUM, REFUGEE AND MIGRATION POLICIES

Performance Information

MEASURES		RESULTS
Contribution to the Secretariat for Inter-Governmental Consultations on Asylum, Refugee and Migration Policies	Quantity: Australia's funding contribution is provided in full and on time.	Achieved.
	Quality: Extent to which secretariat provides effective forum for information exchange.	<p>The secretariat continued its work on information exchange on topics of interest to member states through distribution of documentation, and organisation of plenary meetings, working groups and workshops.</p> <p>In 2003-04, at the request of the chair for that year (Norway), the secretariat gave additional focus to discussions and information exchange on the return of persons with no permission to remain.</p> <p>The range of discussions accorded with Australia's priorities and Australia participated actively.</p>

Objective

To support Australian policy objectives to promote managed migration, prevent illegal migration and people smuggling, and the development of an effective system of international protection.

1991). It provides an avenue for participating governments to exchange information, and to consult and develop innovative policy approaches on refugee, asylum and migration issues.

Description

During 2003-04, Australia contributed \$150,554 towards the administrative costs of the Inter-Governmental Consultations (IGC).

The IGC currently comprises 16 participating states in Western Europe, North America and Australia.

Analysis of Performance

Australia's contribution to the administrative costs of the IGC supported key activities such as meetings, information exchange, maintenance of databases and the

The IGC is an informal, non decision-making forum established in 1985 (with an independent Secretariat established in

production of reports. The IGC also facilitated formal liaison between high-level officials from participating states through its annual Full Round of Consultations and the Mini Full Round.

The focus of the 2004 Full Round discussion was the return to countries of origin of persons with no permission to remain in IGC countries, including analysis of governmental policies, barriers and facilitation, and the perspectives of countries of origin.

These meetings provided an effective channel for articulating Australian perspectives and benchmarking our practices against global practice.

There are currently working groups on country of origin information, data, return/transit, smuggling/trafficking, asylum and technology/biometrics. They meet on an annual or biannual basis.

During the year there were workshops on legal/illegal migration and specific asylum caseloads of interest to IGC participants such as Iraq, Somalia, Serbia Montenegro and Bosnia-Herzegovina.

In addition to Australian representation at workshops and working groups, Australian delegations also attended the Mini Full Round in Geneva in December 2003 and the Full Round in Norway in April 2004. Australia was also represented at a number of smaller meetings of interested states on return and effective protection. Work Plans of the IGC are regularly evaluated by participating states at the Mini Full Round and Full Round consultations and the senior officials steering group meeting.

OUTCOME ONE ADMINISTERED ITEM

INITIATIVES TO ADDRESS THE SITUATION OF DISPLACED AFGHAN AND IRAQI REFUGEES

Performance Information

MEASURES		RESULTS
Initiatives to address the situation of displaced Afghan and Iraqi refugees	Quantity: Aid contributions paid in a timely manner and in accordance with Government priorities.	The total of \$10.6 million available in 2003-04 under this item was disbursed as \$4.66 million to assist Afghans and \$5.94 million to assist Iraqis.
	Quality: Extent to which Australia contributes to the development and implementation of strategies by the international community to address the situation of displaced Afghans and Iraqis.	Australia's contributions are contributing to the well-being of displaced Afghans and Iraqis and are helping to create conditions for their return.

Objective

To promote a coordinated, international approach to the development of a long-term solution for displaced Afghans and Iraqis, jointly administered by DIMIA and the Australian Agency for International Development (AusAID).

Description

Australia supports comprehensive, integrated responses to humanitarian outflows, including addressing the conditions in source and first asylum countries, most notably regarding the unresolved and long-standing caseloads in the Middle East and South Asia. Australia has identified the need for a coordinated, international approach to the development of a long-term solution for displaced Afghans and Iraqis.

The government re-phased the \$5.2 million available under this item in 2002-03 to

2003-04, in addition to the \$5.4 million already available. The total of \$10.6 million available in 2003-04 under this item was disbursed as \$4.66 million to assist Afghans and \$5.94 million to assist Iraqis.

The \$4.66 million in funding for Afghans was made available to UNHCR in March 2004. The funds are providing Afghans returning to Afghanistan as part of the UNHCR's general repatriation program with repatriation assistance, basic shelter and income generation schemes. By supporting both the return process and initial reintegration efforts, the project aims to ensure that return to Afghanistan is sustainable.

The funding of \$5.94 million for Iraqis was made available in June 2004, and aimed to address displacement in Iraq and to boost the capacity of the Iraqi Ministry of Displacement and Migration. Funding was

provided to the International Organization for Migration (IOM) and the United Nations Development Group Iraq Trust Fund.

Analysis of Performance

Australia's position as a donor allowed the government to continue to promote development of comprehensive and integrated solutions to the situation of displaced Afghans and Iraqis. As at June 2004 approximately 3.1 million Afghans had returned to Afghanistan with the support and facilitation of the UNHCR and IOM, with the Australian financial assistance to these bodies an important source of support for their activities.

Assistance to the UN Development Group Iraq Trust Fund and IOM also seeks to assist with voluntary returns of Iraqis. The UNHCR estimates that around 50,000 refugees spontaneously returned to Iraq during 2003 and the World Food Program estimates that 122,000 had returned to southern Iraq at April 2004, the area receiving the vast majority of returns.

OUTCOME ONE ADMINISTERED ITEM

INTERNATIONAL ORGANIZATION FOR MIGRATION (IOM) - CONTRIBUTION

Performance Information

MEASURES		RESULTS
International Organization for Migration - Contribution	Quantity: Australia's funding contribution is provided in full and on time.	Achieved.
	Quality: Extent to which the organisation meets member governments' objectives.	Australia took an active role at key IOM meetings and successfully encouraged IOM to be more actively involved in our region. Australia used IOM forums to pursue with other countries the need to take a comprehensive and strategic approach to the management of migration with particular emphasis on irregular migration and people smuggling.

Objective

To support the achievement of Australian policy objectives in the area of promoting managed migration and the prevention of illegal migration and people smuggling.

Description

During 2003-04, Australia contributed \$793,267 towards the administrative costs of the IOM. The IOM is an international organisation based in Geneva and is committed to the principle that humane and orderly migration benefits migrants and society. As an inter-governmental body, IOM acts with its partners in the international community to assist in meeting the operational challenges of migration, advance understanding of migration issues, encourage social and economic development through migration and uphold the human dignity and well-being of migrants.

Analysis of Performance

Australia has used its contribution to IOM to

support and encourage its involvement in developing regional forums on irregular migration.

Australia continues to encourage the IOM to take a more active role both within the region and beyond in engaging states in discussion of important issues affecting people movement and irregular migration, as well as to implement proactive operational measures to deliver effective and relevant migration services.

During 2003-04 the IOM focused the attention of its key governing body (the IOM Council), on the consideration of broader strategic migration policy issues such as the relationship between trade and migration and between health and migration. A broader policy analysis by the international community will lead to greater international cooperation on migration policy issues and better implementation of managed migration approaches by governments.

OUTCOME ONE ADMINISTERED ITEM

JOINT COMMONWEALTH/STATE RESEARCH ADVISORY COMMITTEE

Performance Information

MEASURES		RESULTS
Joint Commonwealth/ State Research Advisory Committee for the Payment to the Australian Population, Multicultural and Immigration Research Program	Quantity: 2 research projects.	Research projects during 2003-04 were: Completed <ul style="list-style-type: none"> a series on The People of Australia's States and Territories Ongoing <ul style="list-style-type: none"> surveys of the Regional Sponsored Migration Scheme and the Skilled Designated Area Sponsored Scheme impact of Migration on state and territory economies. Planned <ul style="list-style-type: none"> effectiveness of cross-cultural training in the Australian context social impacts of migration.
	Quality: Feedback on usefulness of the research.	The states and territories are actively participating in, and fully support the research projects.

Objective

To provide information to assist with the formulation and assessment of policies by Commonwealth, state and territory Ministers and departments.

Description

The Australian Population, Immigration and Multicultural Research Program (APIMRP) was established jointly by the Commonwealth and state and territory governments to undertake studies in the areas of migration, migration settlement, multicultural affairs and population trends. Individual studies are designed to gather information not adequately covered by existing data and surveys.

In 2003-04 the Australian Government contributed \$50,000 to the APIMRP.

Analysis of Performance

In 2003-04 the research program completed a series on The People of Australia's States and Territories based on data from the 1996 and 2001 Censuses of Population and Housing. The main component is a tabular analysis at Local Government Area (LGA) level of religion, ancestry, birthplace, language and English competency with summary tables for each state and territory based on these variables.

The series provides a publication and an Internet product for each state and territory showing statistical summaries and community profiles of ethnicity indicators by LGA. A national overview presents similar information to the state and territory products at the national level.

The research program commenced surveys of the Regional Sponsored Migration Scheme

and the Skilled Designated Area Sponsored Scheme and research on the impact of migration on state and territory economies. Completion of these projects is expected by late 2004.

These products are important tools for policy makers and directly address the program's core objective. The research program also commenced research on the effectiveness of cross-cultural training in the Australian context, and the social impacts of migration. Broader policy analysis by the international community will lead to greater international cooperation on migration policy issues and better implementation of managed migration approaches by governments.

OUTCOME ONE ADMINISTERED ITEM

OFFSHORE MANAGEMENT OF ASYLUM SEEKERS**Performance Information**

MEASURES		RESULTS
Offshore management of asylum seekers	Quantity: n/a	
	Quality: Effective care is provided for asylum seekers in offshore centres and payments are made in accordance with agreements.	<p>IOM managed the OPCs and delivered services detailed in an exchange of letters between the department and IOM. It continues to provide high quality, responsive and effective care for asylum seekers in OPCs.</p> <p>The IOM submitted monthly invoices to the department for retrospective payment for services and goods purchased for the OPCs. These invoices were paid on time.</p>

Objective

To support the government's unauthorised arrivals strategy by providing for the effective operation and management of processing centres in third countries.

Description

Care is provided for asylum seekers in offshore processing centres that accords with international standards and associated payments are made in accordance with agreements.

Analysis of Performance

The International Organization for Migration (IOM) manages the offshore processing centres (OPCs) in Manus Province, Papua New Guinea (PNG) and Nauru at the invitation of the governments of PNG and Nauru respectively. The Australian Government meets all costs associated with the operation of the centres.

IOM is an independent international organisation staffed by international civil servants who work according to the IOM's own Charter. It is well-regarded internationally for its care and support of migrants, asylum seekers and refugees.

The services delivered by IOM at the OPCs are detailed in an exchange of letters between the department and IOM. A number of consultative management strategies have been employed to provide assurance that these services have been provided appropriately. These include regular meetings with representatives of IOM, the presence of a DIMIA Liaison Officer at the Nauru OPC and previously at the Manus facility, and day-to-day consultations at the operational and senior management levels. These strategies and structures are articulated in an Assurance Framework.

IOM continues to provide high quality and responsive services in its management of the OPCs. At 30 June 2004, for every 80 OPC residents in Nauru there was a qualified IOM doctor readily available. The doctor/patient ratio in Australia was approximately 1:550. School-aged children regularly attend Nauruan schools. IOM gives high priority to the social wellbeing of OPC residents. IOM continually reviews its community health programs as the residents' circumstances change with population movements. This holistic program includes a wide range of sport and leisure activities (including satellite television, videos, reading materials) and education programs (which include language classes and computer skills). In addition, there are:

- regular excursions for shopping and swimming
- regular access to Internet and personal e-mail in the town centre
- a range of occupational activities.

The 2003-04 Budget made a provisional allocation of \$106.9 million for the operation of the OPCs. This figure allowed for 1,000 new unauthorised arrivals by boat. Actual expenditure for 2003-04 was \$40.4 million because there were no new additions other than newborns. The total operational cost for the Manus and Nauru OPCs from September 2001 to June 2004 was \$187.8 million.

The IOM submitted monthly invoices to the department for retrospective payment for services and for goods purchased for the OPCs. These invoices were paid on time.

Prior to the introduction of the offshore processing strategy, numbers of unauthorised boat arrivals had risen dramatically toward the end of the 1990s. Since its introduction in September 2001,

the number of people attempting unauthorised entry to Australia by boat has fallen from 3,649 people in 2001-02 (of whom some 600 were returned "from whence they came"); to no unauthorised boat arrivals in 2002-03 and 82 persons in 2003-04.

OUTCOME ONE ADMINISTERED ITEM

PAYMENTS TO THE AUSTRALIAN RED CROSS SOCIETY FOR ASYLUM SEEKER ASSISTANCE SCHEME**Performance Information**

MEASURES		RESULTS
Payments to the Australian Red Cross Society for Asylum Seeker Assistance Scheme	Quantity: Those eligible to receive assistance.	1,832 persons assisted
	Quality: Payments are made by the Red Cross to eligible asylum seekers in accordance with contractual obligations.	Contractual obligations met.

Objective

To provide financial assistance to eligible asylum seekers awaiting decisions on their protection visa application.

Description

The Australian Red Cross (ARC) has administered the Asylum Seeker Assistance (ASA) Scheme under Agreements with the Commonwealth since 4 January 1993. ASA provides financial assistance to asylum seekers, determined by the ARC to be without means of support or disposable assets, who have been awaiting a primary decision on their Protection Visa application for six months or more. The Scheme provides assistance for basic food, shelter and health care. The rate of financial assistance is equivalent to 89 per cent of Centrelink payments.

Since 1 July 1999, eligibility for ASA has been extended to include both primary and review applicants in financial hardship who are unable to meet their basic needs and who have no continuing and adequate

support. Applications for assistance at review are considered through the ASA exemption process on a case-by-case basis.

Analysis of Performance

In 2003-04, 1,832 clients were assisted under the ASA at a cost of \$4.4 million compared to 2,070 clients assisted at a cost of \$9.5 million in 2002-03. The reduction in cost and persons assisted is mainly attributed to the falling number of the East Timorese protection visa caseload. Other factors reducing the costs and numbers assisted are a continued decline in the number of new applications for protection visas from people in the community and the timely processing of new protection visa applications.

OUTCOME ONE ADMINISTERED ITEM

PAYMENTS UNDER SECTION 33 OF THE FINANCIAL MANAGEMENT AND ACCOUNTABILITY ACT 1997

Performance Information

MEASURES		RESULTS
Payments under section 33 of the Financial Management and Accountability Act 1997.	Quantity: n/a	Two payments made.
	Quality: Payments are made in accordance with Minister for Finance and Administration	Payments made in accordance with legislative requirements.

OUTCOME ONE ADMINISTERED ITEM

REFUGEE, HUMANITARIAN AND ASSISTED MOVEMENTS, PASSAGE AND ASSOCIATED COSTS**Performance Information**

MEASURES		RESULTS
Refugee, humanitarian and assisted movements – passage and associated costs	Quantity: Up to 4,000 refugees moved to Australia.	3,504
	Quality: Client satisfaction with travel arrangements.	No complaints were received from entrants.

Objective

To assist the movement of applicants who are approved for entry to Australia under the refugee component of the Offshore Humanitarian Program and a proportion of offshore entrants under the secondary movement provisions.

Description

DIMIA has a contract with the International Organization for Migration for the assisted passage of applicants who are approved for entry to Australia under the refugee component of the Offshore Humanitarian Program. These include visa subclasses 200 (Refugee); 201 (In-country Special Humanitarian Program); 203 (Emergency Rescue); 204 (Woman at Risk); and a proportion of 447 (Secondary Movement Offshore Temporary Entry) and 451 (Secondary Movement Relocation Temporary Entry).

The assistance provided under this contract covers the full cost of medical examination and airfares to Australia for eligible applicants. The estimated number of people to be assisted under this program is 4,000.

The IOM arranges medical screening services when requested by DIMIA posts.

The IOM is also responsible for ticketing, pre-embarkation and coordination arrangements associated with the movement of funded refugees. The IOM is reimbursed for all transportation and service costs incurred in the movement of these funded refugees to Australia.

Analysis of Performance

\$6.134 million was allocated under this program. The overall expenditure was \$4.063 million with 3,504 persons arriving in Australia. This is lower than expenditure of \$5.25 million, with 3,822 persons arriving in Australia in 2002-03.

While the number of arrivals under the contract in 2003-04 was down, the significant reduction in expenditure is attributed primarily to the favourable Australian/US dollar exchange rate movement, from July 2003 to February 2004.

OUTCOME ONE ADMINISTERED ITEM

REINTEGRATION ALLOWANCES

Performance Information

MEASURES		RESULTS
Reintegration Allowances	Quantity: Those eligible receive the allowance.	<p>For those in Australia: Since the implementation of the Afghan and Iranian reintegration packages in 2002 and 2003 respectively, 3,093 Afghans and 151 Iranians have been offered the reintegration package.</p> <p>For those located in the Offshore Processing Centres (OPCs): A total of 437 people accepted the offer of the reintegration allowance.</p>
	Quality: Payments are made in accordance with eligibility criteria.	<p>For those in Australia: In 2003-04, 50 Afghans and nine Iranians accepted the package.</p> <p>In 2003-04, of those people eligible for the reintegration packages, 49 Afghans and nine Iranians departed Australia and received the reintegration allowance.</p> <p>For those located in the OPCs: 429 returned home voluntarily and received the reintegration allowance.</p>

Objective

To facilitate the reintegration of those persons who wish to return to their country of origin.

were then accommodated at the OPCs on Manus Island and Nauru – these costs are met from output component 1.5.1.

Description

After signing a Memorandum of Understanding (MOU) with the Government of Afghanistan on 16 May 2002, the Australian Government offered reintegration allowances to Afghan nationals who volunteered to return to Afghanistan.

Reintegration allowance offers were made progressively as applications for asylum were finally determined and those receiving an offer had 28 days in which to accept.

On 30 May 2002, the government extended the offer of reintegration assistance to all individuals, regardless of nationality, who

The financial assistance element of the reintegration allowance provided \$2,000 per person, up to a maximum of \$10,000 per family, for persons voluntarily returning to their country of origin. As well, airfares, travel documentation and waiver of debts to the Commonwealth were also provided.

Following the signing of an MOU with the Government of Iran on 12 March 2003, a reintegration allowance was developed and progressively offered to Iranian nationals in detention as they became available for removal. Iranian detainees who declined the initial offer prior to the commencement of involuntary removals have been offered an extension of the package (at the amount of \$1,000 per person/\$5,000 per family). Iranian residents of the Nauru OPCs were also offered the package.

A small number of Iraqi nationals in detention sought reintegration assistance in order to return to Iraq. Financial assistance equivalent to that offered to Afghan nationals was provided.

Analysis of Performance

For those in Australia:

- a total of 15 Afghans in an Australian detention facility and 37 Afghan nationals holding TPVs accepted the reintegration allowance during 2003-04, compared to 46 and 41 respectively in 2002-03
- of those accepting the allowance, a total of 12 Afghans in onshore detention and 34 Afghan nationals on TPVs returned during 2003-04, compared to 50 and 21 respectively in 2002-03
- as at 30 June 2004 the MOU with the Iranian Government and the provision of the reintegration allowance facilitated the return of 22 Iranian nationals in immigration detention, compared to six in 2002-03
- further returns are expected in 2004-05.

For those located in the OPCs (output component 1.5.1) :

- as of 30 June 2004 a total of 437 people have accepted the offer of a reintegration allowance for voluntary return since its introduction in 2002. Of these, 429 have returned home voluntarily and received the reintegration allowance, comprising 407 Afghans, 10 Iranians, four Turks, three Pakistanis, three Sri Lankans and two Iraqis
- eight people in Nauru who accepted the reintegration package have yet to make arrangements to return home
- during 2003-04, 56 people returned voluntarily to Afghanistan from Nauru and received the reintegration allowance.

OUTCOME ONE ADMINISTERED ITEM

SAFE HAVEN ALLOWANCES

Objective

To provide financial support to persons displaced by upheaval in their country for whom the government has provided temporary safe haven in Australia.

Description

Safe haven allowances are provided to those persons on Temporary Safe Haven visas who are not eligible for other income support benefits but are in need of some financial support.

Analysis of Performance

In 2003-04, \$100,000 was allocated under the safe haven allowance provision. This amount was from a 2001-02 appropriation for this program and consequently had a nil impact on the 2003-04 departmental appropriation.

An amount of \$76,651 was used to assist persons who held Temporary Safe Haven visas during the financial year.

Expenditure in 2003-04 was comparable with expenditure in 2002-03 although there was an increase in the total number of persons who were paid the allowance for some period during 2003-04. The expenditure varies with any movement in the allowance rate, number of visa holders, visa validity period or change in employment status of the Temporary Safe Haven visa holder.

OUTCOME ONE ADMINISTERED ITEM

SPECIAL APPROPRIATION – STATUTORY SELF-REGULATION OF MIGRATION AGENTS

Objective

To ensure the satisfactory self-regulation of the migration advice industry.

Description

The migration advice industry in Australia operates under statutory self-regulatory arrangements detailed in Part 3 of the *Migration Act 1958*. Under these powers, the Migration Institute of Australia (MIA) was appointed as the industry regulator, known as the Migration Agents Registration Authority (MARA).

The core functions of the MARA include the registration of migration agents, complaints handling and the application of sanctions against migration agents who have breached the Migration Agents Code of Conduct, in Schedule 2 of the Migration Agents Regulations (1998) (Agents Regulations).

The number of registered migration agents grew by 190 agents from 3,084 at 30 June 2003 to 3,274 at 30 June 2004, a growth of 6.2 per cent (compared with an 11.2 per cent growth in the previous year).

In 2003-04, \$3.70 million was budgeted against this item. The final appropriation was \$3.49 million.

Analysis of Performance

The department implemented recommendations made by the 2001-02 Review of Statutory Self-Regulation of the Migration Advice Industry. The *Migration Act 1958* and the Migration Agent Regulations (1988) were amended, effective

from 1 July 2004, to enhance consumer protection and the professionalism of agents in their dealings with clients. Significant provisions include a regime for removing from the industry agents engaged in vexatious activity, new criminal offences to agents not declaring their involvement, new publication powers for the MARA and new power to caution agents with conditions.

A discussion paper on possible options for regulating migration agents overseas and the immigration-related activities of education agents was publicly released on 26 May 2004. Consultations close on 9 November 2004.

A discussion paper on options for prescribing professional indemnity insurance requirements for migration agents was publicly released on 10 May 2004.

A new Deed of Agreement with the MIA focuses on streamlining and improving the MARA's effectiveness as the industry's regulator.

OUTCOME 2

Outcome Two *contributes to a society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably.*

The supporting departmental outputs are:

- 2.1 Settlement Services
- 2.2 Translating and Interpreting Services
- 2.3 Australian Citizenship
- 2.4 Appreciation of Cultural Diversity.

Activities under this outcome include provision of settlement services, including adult English language training, translating and interpreting services, promoting the value of Australian citizenship and the benefits of cultural diversity, and implementation of the government's multicultural policy and 'Living in Harmony' initiative. The department fosters a society which values Australian citizenship, appreciates diversity, and enables migrants and refugees to participate equitably in social, economic, cultural and political life in Australian society.

Significant improvements were introduced to settlement services for migrants and humanitarian entrants in 2003-04. Increased awareness and participation in national Harmony Day celebrations coincided with implementation of the government's revised multicultural policy. There was an increase in the number of people who became Australian citizens.

The linkages between migration and humanitarian entry programs, migrant and humanitarian settlement, multiculturalism and citizenship require an integrated approach to service delivery, policy and program implementation and evaluation. DIMIA continued to focus on improving internal coordination, planning and service delivery.

OUTCOME TWO PERFORMANCE - EFFECTIVENESS MEASURES AND RESULTS

MEASURES	RESULTS
Extent to which settlement planning arrangements and services equip eligible migrants and humanitarian settlers to participate in society	
Level of participation measured through program evaluations and surveys.	Ongoing service provider reporting demonstrates high level of client participation.
Levels of client outcomes from settlement services measured through client surveys.	Ongoing service provider reporting demonstrates strong client outcomes. Migrant Resource Centres (MRCs), Migrant Service Agencies (MSAs) and organisations funded under the Community Settlement Services Scheme (CSSS) continued to report strong support for DIMIA's settlement services.
Extent to which settlement needs of eligible refugee and humanitarian settlers are met	
Level of satisfaction with settlement services among eligible refugees, humanitarian settlers and community groups who work closely with these people.	Integrated Humanitarian Settlement Strategy (IHSS) evaluations conducted among eligible refugees and humanitarian settlers found a very high level of client satisfaction with IHSS services.
Extent to which Australian citizenship is valued	
Australian citizenship rate of overseas born.	Estimated to be 75.1 per cent based on the 2001 census. This compares with 64.8 per cent in 1986.
Level of community awareness of Australian Citizenship.	Enhanced community awareness is evidenced by: <ul style="list-style-type: none"> • continuing positive feedback provided in large numbers of ministerial and other correspondence on amendments to the <i>Australian Citizenship Act 1948</i>, particularly repeal of Section 17 and provisions to benefit young people • successful promotion campaign in 2003 maintained; the positive trend in application numbers across the campaign period in comparison to the base year 2000 • conferral numbers on and around Australian Citizenship Day in 2003 and Australia Day in 2004 remained high • an almost 400 per cent increase in volume in the number of press, radio, television and Internet items relating to and surrounding Australian Citizenship Day 2003, compared to the previous year.

Extent to which Australians appreciate cultural diversity	
<p>Level of awareness and response by stakeholders to:</p> <ul style="list-style-type: none"> - the Living in Harmony initiative - the Multicultural Australia: United in Diversity policy and its implementation - the work by the Council for Multicultural Australia (CMA). 	<p>Living in Harmony grants and Harmony Day continue to engender considerable interest in remote, regional and metropolitan areas of Australia, with a wide cross-section of organisations. The department received over 500 applications for Living in Harmony grants and logged nearly 4,000 Harmony Day event and product order registrations.</p> <p>The Ministers received 693 pieces of correspondence about the policy, its relevance to Australian society and the value of cultural diversity to Australia's social, cultural and economic well-being.</p> <p>The Chair of the CMA was invited to participate in a nationally broadcast 'hypothetical' about refugee policy and multiculturalism. The Chair and members have accepted a range of invitations to speak at academic and professional seminars and state-wide meetings of business leaders. CMA members contributed on one occasion to the resolution of local community relations tensions.</p>
<p>Extent to which, within the Living in Harmony initiative, local issues can inform national action and vice versa.</p>	<p>In 2004, the themes for the national grants round - older Australians, Australians living in rural and regional areas, Australian Muslim women and Indigenous Australians - were in part suggested by community reporting of issues. For example, considerable reporting was received on continued incidents of vilification and discrimination against Muslim women. Conversely, the launch of the Guide to the Role of Police in Australia, a product of a national partnership with the Australasian Police Multicultural Advisory Bureau, provided information for individuals wanting police assistance at the local level.</p>
<p>Level of interest in productive diversity by the private sector and educational institutions.</p>	<p>Representatives of 300 leading businesses attended two events organised by the department. Leading education and training organisations in the schools, higher education and vocational education and training (VET) sectors attended a workshop facilitated by the department, leading to agreement by participants to work collaboratively with the department on progressing the diversity agenda.</p>
<p>Level of application by the public sector of the principles of the Charter of Public Service in a Culturally Diverse Society.</p>	<p>Higher numbers of Australian Public Service agencies reported, and overall reporting improved. In total 58 agencies reported, with 53 meeting all performance indicators relevant to them.</p>

Extent to which Access and Equity and productive diversity strategies are integrated in the public and private sectors.	The number of diversity-related interactions between the department and business organisations and representative bodies increased, along with improved access to business support tools on the department's Diversity Australia website.
Extent to which significant community relations issues are successfully managed with community and other government jurisdictions.	The Muslim Women's Forum, organised by the department, contributed to the development of mutual understanding and support among Australian women.
Extent to which the CMA contributes to the implementation of the Multicultural Australia: United in Diversity policy, particularly in relation to achieving harmonious community relations and productive outcomes.	Through three task groups, linked to the department's Multicultural Affairs Branch, CMA members assisted in the staging of high profile events to publicise Harmony Day and promote multicultural policy, and in promoting the benefits of cultural diversity to high profile business and opinion leaders.

KEY HIGHLIGHTS – APPRECIATION OF CULTURAL DIVERSITY

In 2003-04, the department commenced implementation of the Multicultural Australia: United in Diversity policy, focusing on the strategic directions of community harmony, access and equity and productive diversity.

The department responded to the continuing challenge of community relations issues in different parts of Australia by funding projects through the Living in Harmony initiative, promoting Harmony Day and by working with specific sectors such as local government and young people. The department also fostered links with the Council for Multicultural Australia, the Standing Committee of Immigration and Multicultural Affairs' Working Party on Community Relations Issues and the Australasian Police Multicultural Advisory Bureau.

After particularly addressing youth and 'whole-of-community' issues in past years, in 2003-04 the Living in Harmony partnerships program saw a focus on engagement and cooperation between the community and Australia's legal institutions, emphasising the importance of the rule of law in Australian society.

Some of the strongest media favourability ratings ever for Harmony Day were reported in 2004. A record number of 767 Harmony Day events were sponsored by governments, community organisations, schools and other educational institutions and the 19 Harmony Day partners. Independent media monitoring advice suggests Harmony Day symbolises cultural diversity, inclusiveness and successful inter-community relations.

Inter-faith projects featured in the Living in Harmony 2003-04 community grants program. They included outreach activities, providing information on traditions, beliefs and history, creating opportunities and a framework for communication and cooperation between faith groups and the wider community.

The department consulted with Muslim women and conducted a forum on 25 June 2004 in Sydney, exploring issues affecting them and assisting in creating links with established national women's organisations.

The department built on previous work with private sector partners and stakeholders, culminating in, among other things, the launch of the Productive Diversity National Business Consultation Report and the Diversity Training Kit in March 2004. Drake International, the Australian Human Resource Institute, the Australian Industry Group, Ford and Woolworths were involved in developing the products, which extend the government's understanding of the different ways businesses can invest in diversity to their competitive advantage and assist the private sector to manage diversity effectively.

In 2003, 58 Commonwealth agencies (46 in 2002) reported on their performance against the indicators set out in the Charter of Public Service in a Culturally Diverse Society, of which 53 agencies met 100 per cent of the performance indicators relevant to them, compared with 19 agencies in 2002.

KEY HIGHLIGHTS - AUSTRALIAN CITIZENSHIP

101,464 people became Australian citizens by grant, descent and resumption. There was an increase of 10 per cent in those who became citizens by grant compared to 2002-03.

The integrity of Australian citizenship was strengthened through the introduction of new character checking procedures for applicants.

There was a 396 per cent increase in media items (press, radio, television and Internet) relating to Australian Citizenship Day during the campaign period 1 August to 30 September 2003, compared to the same period in 2002. There was a 21 per cent increase in citizenship applications in the same period.

KEY HIGHLIGHTS - REVIEW OF SETTLEMENT SERVICES

A highlight of the year was the response to the Review of Settlement Services for Migrants and Humanitarian Entrants. Following the advice of the whole-of-government Settlement Services Taskforce, chaired by the Department of the Prime Minister and Cabinet, Minister Hardgrave announced, in the context of the 2004-05 budget, the government's decision to commit an additional \$100.9 million over four years to implement the recommendations of the Review and significantly improve settlement services for humanitarian entrants and migrants.

In total 20 of the 61 review recommendations have been implemented:

- the Department of Employment and Workplace Relations (DEWR) is piloting a service for migrants and humanitarian entrants to help them gain work experience (recommendation 10)
- the government agreed to fund early intervention strategies that recognise and support young migrants and humanitarian entrants at risk of not making successful settlement transitions (recommendation 15)
- the Department of Education, Science and Training (DEST) has reviewed the New Apprenticeship Access Program criteria and ensured that the program is accessible to newly arrived migrants and humanitarian entrants (recommendation 18)
- the Department of Health and Ageing has revised its arrangements for consulting with migrant communities with ageing populations and its arrangements for facilitating access to services for these communities (recommendation 19)
- DIMIA expanded pre-embarkation cultural orientation classes for humanitarian entrants (recommendation 30)
- DIMIA introduced a tenancy training program into the Integrated Humanitarian Settlement Strategy (IHSS) (recommendation 32)
- DIMIA enhanced the package of goods available under the IHSS Household Formation Support service (recommendation 33)
- IHSS service providers' responsibilities for assisting entrants to access medical attention were clarified in contract variations (recommendation 34)

- the government agreed to fund increased support to Special Humanitarian Program entrants and proposers (recommendation 36)
- the government agreed to create a new program of aged care for culturally and linguistically diverse communities in the Department of Health and Ageing (recommendation 39)
- the government agreed to increase funding levels for migrant community grants (recommendation 40)
- Migrant Resource Centre (MRC) and Migrant Service Agency (MSA) work programs that more clearly articulate their role, were developed (recommendation 41)
- DIMIA improved the alignment of MRC and MSA funding with the outputs, outcomes and settlement needs identified in work programs (recommendation 42)
- DIMIA has clarified the basis for performance assessment and reporting for MRCs/MSAs pending the transition to the combined grants (recommendation 44)
- research was commissioned to identify the availability, eligibility requirements and use of English as a Second Language courses provided by state and territory governments (recommendation 47)
 - the five-year limit on English language tuition under the Adult Migrant English Program (AMEP) has been abolished. This will help migrant and humanitarian entrants who, for family or personal reasons, are unable to take up their tuition under the AMEP within the first five years of their arrival (recommendation 48)
- the government agreed to fund increased hours for the AMEP Special Preparatory Program for specifically targeted humanitarian entrants (recommendation 49)
- research was commissioned to identify strategies for service providers to recruit volunteer tutors to assist AMEP delivery (recommendation 50)
- DIMIA supported the development and maintenance of community language assistance programs through the AMEP's Home Tutor Scheme Enhancement Program (recommendation 51)
- the government agreed to pilot a program to fund subsidies for National Accreditation Authority for Translators and Interpreters (NAATI) accreditation fees for appropriate bilingual people from small and emerging communities (recommendation 53).

Progress on the remaining recommendations is under way.

OUTPUT 2.1 – SETTLEMENT SERVICES

2.1.1 SETTLEMENT PLANNING AND INFORMATION DELIVERY

Performance Information

MEASURES		RESULTS
Output 2.1.1 Settlement Planning and Information Delivery	Quantity: Annual Report to Ministerial Council covering State/Territory Settlement Planning Committees.	Progress on implementing the recommendations of the Review was discussed during the Ministerial Council meeting in May 2004.
	Quality: Satisfaction of Ministerial Council and Stakeholders.	The Ministerial Council noted that the department will consult with jurisdictions on an enhanced settlement planning framework.

Objective

To provide and facilitate access to information:

- for potential and newly arrived migrants and humanitarian entrants to assist in the settlement process
- to inform the planning process for DIMIA's settlement services
- to assist mainstream service agencies to plan the delivery of services to meet the needs of migrants and humanitarian entrants.

Description

This output component supports the planning process for DIMIA's settlement services. It also has an important role in supporting the provision of information to those interested in settling in Australia as well as those who provide mainstream or specialised settlement services to migrants and humanitarian entrants.

The 'Life in Australia' web pages and the 'Beginning a Life in Australia' booklets are two key sources of information that assist

newly arrived migrant and humanitarian entrants to gain access to services and orient themselves in the Australian society. Other sources, such as pamphlets and information guides, are also produced.

The Settlement Database is maintained by the department and provides statistical information on new arrivals. Departmental officers use this information to inform program planning and service delivery across Australia. Mainstream service providers and community-based users are also able to access this information via the Internet through the department's Internet based statistical reporting facility known as the Community On-Line Database (COLD).

Analysis of Performance

The Review of Settlement Services

A number of recommendations in the Report of the Review of Settlement Services for Migrants and Humanitarian Entrants related to the department's settlement information and planning for the provision of settlement services. The department will

be consulting with the sector on improved planning arrangements in 2004-05.

The Refugee Resettlement Advisory Council (RRAC)

RRAC's third term expired in March 2004. The government subsequently decided to convene the RRAC for a fourth term.

The RRAC continued to provide high quality policy advice and input to the Minister for Citizenship and Multicultural Affairs on the settlement of newly arrived humanitarian entrants and migrants and the implementation of the recommendations in the Review of Settlement Services.

Settlement Information

The 'Life in Australia' web pages contain information on, and links to, areas of important settlement concern such as employment, education, health services, housing and taxation. As part of the regular maintenance of the settlement website, these pages were updated as relevant information and sites were located. New material in the updated section on 'Basic Facts about Australia' includes information on Australian cultural values and customs.

As a result of a formal external review of the department's website, a number of changes were made. These included:

- renaming the web pages from 'Settling in Australia' to 'Life in Australia'
- renaming the state and territory 'Settlement Information Kits' to the 'Beginning a Life in Australia' booklets.

The 'Beginning a Life in Australia' booklets continue to be updated twice a year and have been translated into 22 community languages. Work has begun on translating the booklets into the Dinka language for

new arrivals to Australia from the Sudan. This work will be completed for inclusion on the website in early 2004-05.

The 'How Australia helps - Settlement Services for Refugees' information kit will serve as a ready reference for service providers, volunteer groups and the many people within the community involved in assisting refugees making the transition to life in Australia.

There were 6,973 reports requested from the COLD system from July 2003 to April 2004. The average number requested per month was 775 (an increase of 34 per cent) compared with 578 per month in 2002-03. Access to the reports has been unavailable since April 2004 due to technical difficulties. The department is developing a replacement facility with improved Internet access and reporting capability, which is expected to be available from July 2004.

2.1.2 HUMANITARIAN SETTLEMENT SERVICES

Performance Information

MEASURES		RESULTS
Output 2.1.2 Humanitarian Settlement Services	Quantity: 11,500 offshore Humanitarian Program entrants assisted.	IHSS assisted 10,401 entrants comprising: <ul style="list-style-type: none"> • 3,141 refugees, eligible for initial information and orientation assistance, accommodation support, household formation support and early health assessment and intervention service • 7,214 special humanitarian program entrants, eligible for household formation support and early health assessment and intervention service. In addition, the proposers of these entrants are eligible for proposer support service • 46 Temporary Protection visa holders, or Permanent Protection visa holders eligible for early health assessment and intervention service.
	Quality: 75% or more of clients satisfied as measured through clients feedback.	Client surveys were conducted in some states and territories during 2003-04. Analysis of the data is currently being undertaken and the findings of these surveys will be released in 2004-05.

Objective

To provide settlement services to refugees and humanitarian entrants under the Integrated Humanitarian Settlement Strategy (IHSS).

Thirty-nine contracted service providers deliver these initial services across the states and territories, assisted by volunteers registered under the Community Support for Refugees (CSR) Scheme.

Description

This output component supports the provision of intensive initial settlement services to newly arrived entrants admitted under the Humanitarian Program. The IHSS assists these entrants to rebuild their lives in Australia through the provision of support designed to meet their initial settlement needs.

The services provided under the IHSS include:

- initial information and orientation assistance
- accommodation support
- household formation support
- early health assessment and intervention assistance
- proposer support
- service support.

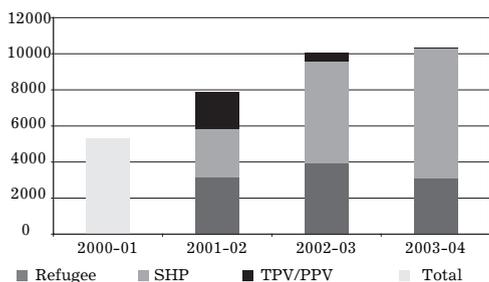
IHSS support is normally provided for about six months, although this period may be extended for vulnerable clients with special needs. The IHSS focuses strongly on equipping entrants to gain access to mainstream services. However, some entrants may require further assistance from other DIMIA-funded services, such as Migrant Resource Centres (MRCs)/Migrant Service Agencies (MSAs) and the Community Settlement Services Scheme (CSSS).

Analysis of Performance

In 2003-04, 10,401 humanitarian entrants were assisted. This compares with 10,041 in 2002-03.

FIGURE 13

Number of People Assisted under IHSS



Note: disaggregated data is not available for 2000-01
 Sources: Humanitarian Settlement Client Information System (HuSCI), Integrated Humanitarian Settlement Strategy (IHSS) database and Travel and Immigration Processing Systems (TRIPS), DIMIA.
 The composition of the caseload also changed significantly.

In 2003-04, 3,141 refugees were assisted. This represents a decrease of 20 per cent. A total of 7,214 SHP entrants were assisted, an increase of 27 per cent.

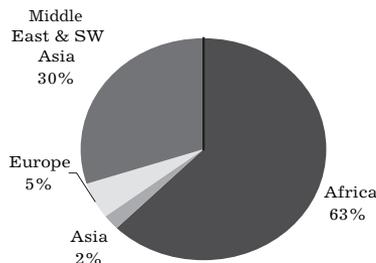
In 2003-04, 46 TPV and Permanent Protection visa (PPV) holders were assisted, compared to 453 in 2002-03 and 2,047 in 2001-02.

Most IHSS clients in 2003-04 were from Africa (63 per cent), increasing from 44 per cent in 2002-03. The other significant

group by origin was the Middle East (30 per cent), down from 39 per cent in 2002-03.

FIGURE 14

People Assisted under the IHSS during 2003-04 by Source Region



Source: Humanitarian Settlement Client Information System (HuSCI) and Integrated Humanitarian Settlement Strategy (IHSS) database, DIMIA.

The IHSS caseload continues to change. The trend of a high proportion of entrants being unable to speak English persisted. Seventy five per cent of people assisted stated that they required an interpreter. Education levels have fallen. The average number of years of schooling received by 2003-04 entrants was only five. A total of 2,174 (or 21 per cent) of all refugee and SHP entrants assisted had lived in refugee camps, up from 15.4 per cent in 2002-03.

As a result of recommendations flowing from the independent evaluation of the IHSS and the Settlement Services Review (SSR), the following enhancements to the IHSS were introduced:

- an improved package of household goods to assist entrants to establish a household
- guidance to entrants on living in an Australian household and how to fulfil their obligations as tenants
- entrants with urgent health needs are referred immediately to local health services.

The SSR also recommended that a pre-embarkation cultural orientation program pilot be offered to refugees and humanitarian entrants. A contract with the International Organization for Migration was signed in August 2003 to deliver the pre-embarkation training on behalf of DIMIA. The objective of the pilot is to better prepare humanitarian entrants by providing the necessary knowledge to enhance their re-settlement prospects and to create realistic expectations for life in Australia. As at 30 June 2004, over 50 courses had been held in Nairobi, Kakuma (Kenya), Kampala, Abu Rakham (Sudan) and Cairo, assisting approximately 1,442 entrants.

The program pilot was evaluated in June 2004. The results of the evaluation indicate that new arrivals find the training highly valuable.

Volunteers play a valuable role in assisting refugees to settle in Australia. Community Support for Refugee groups are an integral part of IHSS, and a separate contractor provides support to CSR group members. CSR Coordinators in states and territories ensure that CSR groups are linked with humanitarian entrants and the IHSS contractors, and that appropriate training is provided to volunteers. As at 30 June 2004 there were 157 registered CSR groups, comprising 1,413 volunteers.

The current IHSS services and contracts, progressively introduced from early 2000, were scheduled to terminate in mid 2003. The contracts have been extended to September 2005, to enable a new round of tenders for contracts for the provision of IHSS services to 2010. A discussion paper was released in February 2004 followed by a community consultation process, which

sought comment on possible IHSS service delivery arrangements in the next contract period. Seventy four written responses were received from a wide range of agencies, including current service providers and community organisations. These will be taken into account in the preparation of the Request for Tender due to be released in August 2004.

2.1.3 SUPPORT FOR COMMUNITY SERVICES

Performance Information

MEASURES		RESULTS
Output 2.1.3 Support for Community Services	Quantity: Core funding to 30 MRC/MSA grants and 360 funded work programs administered.	Service agreements and work programs administered for 313 CSSS grants, 27 MRCs and four MSAs and eight interim grants.
	Quality: Service agreement and work programs fulfilled and/or specific breaches addressed.	Improved financial monitoring through a program of rolling audits.

Objective

To support the delivery of settlement services through administration of community grants.

Description

This output component supports the administered item Grants for Migrant Community Services.

DIMIA supported the delivery of Migrant Resource Centres (MRC)/Migrant Service Agencies (MSA) and Community Settlement Services Scheme (CSSS) services through assistance with management of work programs, advising on reporting and financial accountability requirements and provision of a national training strategy for management committees/boards and staff.

The department received 308 applications for CSSS funding for the 2003 funding year of which 181 were successful. This is similar to the number of applications in 2002-03 when 187 out of 312 applications were successful. Successful organisations were offered funding for periods of nine or 21 months. This was to align the CSSS funding period with the financial year rather than the previous funding period, October to September.

The majority (123 out of 181) of the new CSSS grants in 2003 funding period were for nine months ending on 30 June 2004. The alignment of the CSSS funding period to the financial year will make the funding and grant monitoring process more efficient, particularly for MRCs/MSAs also receiving CSSS funding, and for those also receiving funding from other government departments.

Analysis of Performance

The development and use of the on-line application for funding for Migrant Community Services significantly streamlined the assessment and processing of applications.

In 2003-04, all MRCs/MSAs applied on-line for core funding. Seventy-three per cent of community based organisations applied for CSSS funding via the on-line application process, compared with 58 per cent in the 2002 funding period. Twenty six per cent lodged applications by email or on diskette. Less than one per cent of applications were lodged on paper.

A total of 352 work programs and service agreements were managed. Outstanding acquittals from 2002-03 were finalised.

A program of independent audits of CSSS grants commenced in May 2004. Ten CSSS funded organisations were reviewed in the initial phase of the program that will continue in 2004-05.

2.1.4 ADULT MIGRANT ENGLISH PROGRAM ADMINISTRATION

Performance Information

MEASURES		RESULTS
Output 2.1.4 AMEP Administration	Quantity: 18 major AMEP related contracts administered.	18 contracts for AMEP tuition and associated services administered. Service delivery was monitored through regular contract meetings.
	Quality: Fulfilment of contract requirements or breaches addressed.	All contractors met service delivery requirements and no breaches were notified or recorded. All tuition contracts received ongoing accreditation from the National English Language Teaching Accreditation Scheme in relation to quality standards.

Objective

To ensure the Adult Migrant English Program (AMEP) contract management regime accords with best practice in Commonwealth contracts management.

Description

This output component supports the AMEP administered item. The AMEP is administered through 18 major contracts for tuition and associated services.

Analysis of Performance

In 2002-03 a tender process was conducted for the delivery of AMEP services across Australia. July 2003 saw the commencement of 18 five year tuition contracts.

The contracted services comprise the provision of tuition for English as a Second Language (ESL) across Australia through a range of learning options, programs and support services. These include: classroom, community based, distance learning or home-based tuition, delivery of the AMEP citizenship course, provision of the Special Preparatory and Home Tutor Scheme Enhancement Programs, facilitation of fee-free translation requests, counselling and referral services

and childcare support. Initiatives contained in the new contracts include:

- a stronger focus on delivery in rural and regional areas, including a new option of delivery of formal tuition where clients are unable to attend classes and distance learning is not appropriate because of literacy or other barriers
- development of learning plans for all clients
- a new focus on the need for coordination between AMEP providers and other providers of settlement services to migrants to promote and plan AMEP delivery
- an emphasis on liaison with other providers of English language tuition and providers of employment services to maximise post-AMEP options for clients.

Regular meetings with service providers are the main focus for contract management, enabling issues to be dealt with as they arise. Service providers fulfilled contractual requirements in 2003-04, with no breaches notified or recorded.

2.1.5 FEE-FREE TRANSLATING AND INTERPRETING SERVICES

Performance Information

MEASURES		RESULTS
Output 2.1.5 Fee-free Translating and Interpreting Services	Quantity: 10,000 document translations purchased.	8,642
	86,000 telephone interpreting services purchased.	94,922
	23,000 on-site interpreting visits purchased.	18,830
	Quality: Level of satisfaction of eligible clients with fee-free language services delivered.	High level of satisfaction measured by increased usage of the service, positive feedback, and the lack of formal complaints.

Objective

To facilitate full participation of migrants from non-English speaking backgrounds in Australia's social and economic life through the provision of effective communication means.

- members of parliament for constituency purposes
- Local Government Authorities
- trade unions
- Emergency Management Australia.

Description

This output delivers fee-free translating and interpreting services to eligible individuals and organisations.

Documents for translation may include identity and relationship (eg birth and marriage certificates), facilitation (eg drivers' licences), and education and employment documents.

Fee-free interpreting services are provided to approved individuals and organisations to assist them to communicate with non-English speaking migrants and humanitarian entrants who are Australian citizens or permanent residents. DIMIA fee-free interpreting services are available to six broad groups of individuals and organisations:

- private medical practitioners providing services under Medicare
- not-for-profit, non-government, community-based health or welfare organisations subject to their funding arrangements

Analysis of Performance

A greater number of fee-free interpreting services was provided to a broader range of clients through collaborative work with service users as well as wider use of telephone interpreting. Successful promotion of the telephone interpreting services and liaison with medical and community sectors enabled a shift away from the more costly on-site interpreting to telephone interpreting. As a result, DIMIA achieved its objective of a more equitable distribution of services within the allocated funds.

The number of fee-free translation services increased significantly due to changed arrangements for the collection of eligible documents and better publicity for services, leading to an increased knowledge of the availability of the service among migrants.

The key results in 2003-04 were:

- a total of 122,394 fee-free interpreting and translating services were provided (compared with 108,770 services in 2002-03) – an increase of 13 per cent. This increase is a result of the continued uptake of telephone interpreting in preference to the use of on-site services by groups such as medical practitioners and community organisations that had in previous years relied heavily on face-to-face services
- the number of fee-free document translation services provided was 8,642, compared with 6,426 in 2002-03 – an increase of 34 per cent
- 94,922 fee-free telephone interpreting services were provided to non-English speaking residents as well as to the organisations and individuals who needed to communicate with migrants and humanitarian entrants with insufficient English (compared with 78,475 fee-free telephone services in 2002-03) – an increase of 21 per cent
- the number of fee-free on-site interpreting services provided decreased by 21 per cent from 23,869 in 2002-03 to 18,830 in 2003-04. The reasons for this decline are outlined above.

The 10 highest demand languages for fee-free translating and interpreting were Arabic, Vietnamese, Mandarin, Serbian, Cantonese, Persian, Turkish, Spanish,

Russian and Bosnian. The languages in greatest demand were the same as those for 2002-03 with a slightly different ranking.

OUTPUT 2.2 – TRANSLATING AND INTERPRETING SERVICE

2.2.1 DOCUMENT TRANSLATING

Performance Information

MEASURES		RESULTS
Output 2.2.1 Document Translating	Quantity: 10,000 documents translated.	8,642
	Quality: 90% of fee-free translations will be processed within 20 working days of request.	92%
	95% of translating jobs will be done by a NAATI accredited/recognised translator.	100%

Objective

To provide a national service for the translation of settlement-related personal documents.

Description

Documents for translation include identity and relationship (eg birth and marriage certificates), facilitation (eg drivers' licences) and educational and employment documents. The Victorian Interpreting and Translating Service (VITS) LanguageLink is contracted to provide the translation service.

Analysis of Performance

The performance target of 20 working days to complete translations using National Accreditation Authority for Translators and Interpreters (NAATI) accredited translators in 95 per cent of instances has been regularly exceeded.

The number of fee-free translation services increased significantly due to changed arrangements for the collection of eligible

documents and better publicity for services leading to an increased knowledge of the availability of the service among migrants. The number of document translation services provided was 8,642, compared with 6,426 in 2002-03 – an increase of 34 per cent.

Translation of documents relating to educational qualifications forms a large proportion of the requests and they are mainly from the Eastern European countries.

The top 10 high demand languages for translation were Arabic, Serbian, Chinese, Croatian, Bosnian, Russian, Spanish, Persian, German and Indonesian.

2.2.2 TELEPHONE INTERPRETING

Performance Information

MEASURES		RESULTS
Output 2.2.2	Quantity: 350,000 telephone interpreting calls.	413,800
Telephone Interpreting	Quality: 90% of telephone calls will be answered by a TIS operator within 30 seconds, and a telephone interpreter in a major community language will be provided within three minutes.	90 per cent of telephone calls were answered by a TIS operator within 30 seconds and 95 per cent of calls were connected to a telephone interpreter in a major community language within three minutes.
	85% of interpreter jobs will be done by a NAATI accredited/recognised interpreter.	92.50%

Objective

To provide a national 24 hour a day, seven days a week telephone interpreting service to enable accessible, quality communication between English and community languages to individuals (migrants and others), and to government and non-government service deliverers.

Description

The Translating and Interpreting Service (TIS) provides special nation-wide facilities which allow a three-way conversation between the English-speaking and non-English-speaking parties and the TIS interpreter through the use of a national telephone number 131 450. TIS also provides priority lines for emergency services and medical practitioners.

Analysis of Performance

The total number of telephone enquiries relating to interpreting services received was 657,487. A total of 413,800 telephone interpreting assignments resulting from those enquiries were completed, compared

with the target for 2003-04 of 350,000. The number of telephone enquiries converting into interpreting assignments, since consolidation of TIS offices to a single site in Melbourne in 2002-03, increased by 29 per cent.

There is a strong indication that there is greater use of cost-effective telephone interpreting services by clients and improved operator performance. On average, calls are being answered in around 17.5 seconds which shows a further improvement of 2.5 seconds from the previous financial year.

The new automated telephone interpreting service (ATIS) was commissioned in February 2004. ATIS provides interpreting assistance to English speaking clients in 18 TIS high demand languages using the Interactive Voice Response Unit (IVRU). This allows TIS National to meet growth in telephone interpreting demand without the need to expand Contact Centre operations. ATIS services are being provided at a charge rate of 10 per cent less than the regular

Contact Centre Operator connected immediate telephone interpreting service.

The top 10 high demand languages were Vietnamese, Arabic, Mandarin (Chinese), Cantonese (Chinese), Serbian, Spanish, Korean, Turkish, Persian and Greek. The languages in greatest demand were similar to the previous year. However, Korean and Greek replaced Dari (Afghani) and Bosnian in the top 10 high demand languages. It is essential therefore, for TIS to continually review its contract interpreter pool, based on demand.

2.2.3 ON-SITE INTERPRETING

Performance Information

MEASURES		RESULTS
Output 2.2.3	Quantity: 65,000 on-site interpreting visit requests.	49,200
On-site Interpreting	Quality: 85% of requests for an on-site interpreter will result in a confirmed appointment within 3 working days.	93%
	85% of interpreter jobs will be done by a NAATI accredited/recognised interpreter.	89%

Objective

To provide interpreters for face-to-face assignments.

Description

Translating and Interpreting Services (TIS) arranges for an interpreter to go to a specified location where the client requires face-to-face interpreting.

Analysis of Performance

On-site interpreting requests continued to decrease. A total of 49,200 on-site interpreting assignments were undertaken, compared with 64,685 in 2002-03.

Reasons for this decline included:

- low demand for on-site interpreters associated with the processing of applications for protection by asylum seekers in immigration detention facilities, including assistance provided by registered migration agents under the Immigration Advice and Application Assistance Scheme (IAAAS)
- the cost of on-site interpreting charges together with the charge rate reduction for pre-booked telephone service encouraged clients to move towards using telephone interpreting

as a more cost effective way of utilising their resources

- in some states, competitor language service agencies providing on-site interpreting services at prices lower than TIS charges are capturing a share of the market. However, closure of some of these service providers in 2004 also saw clients returning to TIS.

OUTPUT 2.3 – AUSTRALIAN CITIZENSHIP

2.3.1 DECISIONS ON CITIZENSHIP STATUS

Performance Information

MEASURES		RESULTS
Output 2.3.1 Decisions on Citizenship Status	Quantity: 102,401 decisions (persons) on citizenship status made, including 82,000 applications (persons) for grant finalised.	121,602 decisions (persons) on citizenship status made, including 95,098 applications (persons) for grant finalised.
	Quality: Less than 1% of negative decisions overturned at Review Tribunal.	0.2 per cent of negative decisions overturned at Review Tribunal.*
	35% of grant applications finalised on the day of lodgement, and 90% within 90 days of lodgement.	43.3 per cent of grant applications finalised on the day of lodgement, and 91.8 per cent within 90 days of lodgement.

* Source: Legal Services Section, Legal Services and Litigation Branch, July 2004.

Objective

To provide high quality, efficient administration of the *Australian Citizenship Act 1948* and its regulations.

Description

Management and delivery of decisions under the Australian Citizenship legislation, through:

- decisions on applications for grant of citizenship
- other decisions under the legislation, including citizenship by descent, resumption of citizenship and renunciation of citizenship
- management of conferral of citizenship
- provision of citizenship information services.

Analysis of Performance

There were 98,643 applicants for Australian citizenship (87,023 in 2002-03). This

represents an increase of 13.4 per cent and continues the upward trend in applications since 2000-01. In 2003-04, 91,233 applicants were approved. This compares with 83,077 in 2002-03.

Performance standards for processing of grant of citizenship applications were met despite the increase in applications. There were 91.8 per cent of applications decided within 90 days of lodgement and 43.3 per cent decided on the day of lodgement.

The department promotes use of the Internet facility for lodgement of citizenship applications. A growing number of people are choosing the convenience of applying on-line. In 2003-04, there were 16,523 people who lodged citizenship applications through the Internet. This represents 16.8 per cent of all applications received (eight per cent in 2002-03).

TABLE 12

Outcomes for citizenship applications, 2001-02 to 2003-04

	2001-02	2002-03	2003-04
People granted Australian citizenship	87,622	83,077	91,233
People issued with Certificates of Evidence of Australian citizenship	10,826	9,522	11,515
People registered as Australian citizens by descent	13,399	10,411	14,005
People registered as losing Australian citizenship *	482	498	496
People resuming Australian citizenship	524	516	410

* Loss statistics include renunciation of Australian citizenship.

Source: ICSE data extraction, Outcomes Reporting Section DIMIA

Outcomes for citizenship applications for the past three years are at Table 12. In 2003-04, 87,049 people were conferred with citizenship an increase of 10 per cent over 2002-03.

To meet the requirements of Section 42(d) of the *Australian Citizenship Act 1948*, statistical information on the former nationality or citizenship and the previous country of residence of persons who became Australian citizens by grant in 2003-04, is provided at Appendix 1.

The Citizenship Information Line (CIL) received 444,223 calls, an average of 37,019 per month (361,992 in 2002-03, an average of 30,166 per month). CIL responds to citizenship inquiries from around Australia and distributes information and application kits to clients.

Integrity of the citizenship program continued to be reinforced, including through the quality assurance program for processing and work undertaken in conjunction with other areas of the department to counter the risk of identity fraud and to support prosecutions for citizenship-related fraud.

2.3.2 PROMOTION OF THE VALUE OF AUSTRALIAN CITIZENSHIP

Performance Information

MEASURES		RESULTS
Output 2.3.2 Promotion of the Value of Australian Citizenship	Quantity: Agreed initiatives arising from Government response to the Australian Citizenship Council Report actioned on time and within budget.	The award-winning Australian Citizenship promotion campaign, developed in 2001, continued to be used in 2003 and was implemented in a timely manner and within budget. Planning commenced for the implementation of the two outstanding recommendations of the Australian Citizenship Council Report, which relate to a 'tidy up' or restructure of The <i>Australian Citizenship Act 1948</i> and the drafting of a Readers' Guide to the Act. Implementation is expected to be completed during 2004-05.
	Quality: Satisfaction of the Minister and other key stakeholders with implementation of agreed initiatives in the Government's response to the Australian Citizenship Council Report and a positive response from the community to citizenship promotion initiatives.	Maintained citizenship application levels above the base year and enhanced the profile of citizenship in the community. Positive response and involvement from the community to the Australian Citizenship promotion, including Australian Citizenship Day celebrations in 2003 and Australia Day in 2004 in every state and territory, and attendance at special citizenship ceremonies and affirmation ceremonies.

Objective

To promote acquisition of Australian citizenship and to enhance awareness of the value of citizenship in the Australian community.

Description

This output component covers promotion of the value of Australian citizenship and policy and law on Australian citizenship.

Analysis of Performance

Ongoing monitoring and review of citizenship policy and legislation ensures that it continues to reflect the changing

values of the Australian community.

The extent to which this has been achieved has been measured by:

- ongoing planning to finalise implementation of the government's response to the Report of the Australian Citizenship Council
- a change in policy to provide for grant of citizenship to children under the age of 18 who were born in the period after a 'responsible parent' lost Australian citizenship upon acquisition of another citizenship
- the launch of the Australian Citizenship Ceremonies Code on

17 September 2003. The guidelines for conducting citizenship ceremonies were substantially updated to reflect the diversity of contemporary Australian society, in consultation with key stakeholders including the Australian Local Government Association.

The objectives of the Australian Citizenship Promotion campaign are to promote the acquisition of citizenship among eligible non-citizens and to enhance the profile and significance of Australian citizenship. Australian Citizenship Day was introduced in 2001 and has been celebrated on 17 September every year since then.

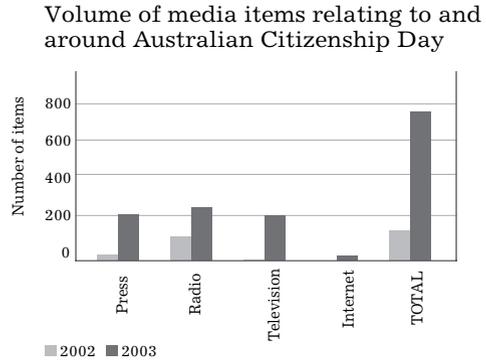
The extent to which the objectives have been achieved has been measured by a number of factors described below.

Citizenship application levels over the full year continued to be strong, with application rates maintained above the level in the pre-campaign base year, 2000. Over the two month period of the campaign surrounding Australian Citizenship Day – 1 August to 30 September 2003 – application levels increased by 37 per cent compared to the same period in the pre-campaign base year, 2000, and increased by 21 per cent compared to the same period in 2002.

During the campaign period 1 August to 30 September 2003, there was a total of 665 press, radio, television and Internet items relating to and surrounding Australian Citizenship Day. This is a 396 per cent increase in volume on the same period in the previous year, 2002, which had a total of 134 items. Data was not collected prior to 2002.

A breakdown of the items is in Figure 15 below.

FIGURE 15



There was sustained, strong interest in the citizenship website and Citizenship Information Line (CIL) in 2003.

Over 3,000 people became citizens at over 80 special ceremonies on and around Australian Citizenship Day on 17 September 2003 and many thousands of people affirmed their Australian citizenship at these ceremonies.

During the 2003 campaign the range of promotional products was updated and distributed widely. The products were principally aimed at raising the significance of citizenship among the general community. The products included the Australian Citizenship Promotion Kit, an Australian Citizenship Day primary schools' resource, a suite of affirmation products, a secondary schools' Citizen 2030 information package, lapel pins, tee-shirts and caps.

OUTPUT 2.4 – APPRECIATION OF CULTURAL DIVERSITY

2.4.1 APPRECIATING CULTURAL DIVERSITY

Performance Information

MEASURES		RESULTS
Output 2.4.1 Appreciating Cultural Diversity	Quantity: Policy submissions and reports provided to Minister and Council for Multicultural Australia as required.	97 per cent of 195 submissions and 97 per cent of 691 ministerial replies were finalised within the required timeframe.
	102 grants, six partnerships and 20 projects managed.	122 grants, six partnerships and 18 projects.
	Liaison maintained with approximately 4,500 community organisations and individuals nationally (more intensive liaison maintained with over 2,000 community organisations and individuals).	The department maintained contact with over 6,000 community organisations and individuals, with emphasis on Middle Eastern and Muslim communities. The department had more intensive contacts with over 2,500 ethnic and religious community organisations on a range of issues important to those communities, 30 local government authorities, 11 business groups and education sector groups.
	An annual Access and Equity Charter Report.	The Access and Equity Report was tabled on 1 April 2004.
	Production of an Access and Equity manual.	A draft Access and Equity manual is being finalised.
	Development of an information booklet to assist business migrants in establishing businesses soon after arrival.	A needs analysis conducted with Business Skills section determined, given changes to business skills processing arrangements in 2003, that such a booklet is not necessary.
	Development and dissemination of a number of business tools and productive diversity case studies.	Nationwide distribution to businesses of a report, 'Making Diversity Work... for your organisation and Australia's future', and a training kit, 'Diversity - A Way of Life'.

<p>Output 2.4.1</p> <p>Appreciating Cultural Diversity</p>	<p>Quality: Satisfaction of Minister with:</p> <ul style="list-style-type: none"> - provision of policy advice and implementation of the Multicultural Australia: United in Diversity policy - promotion of community harmony through the Living in Harmony initiative - management of community relations - extent to which departments and agencies meet performance indicators as outlined in the Performance Management Framework for Access and Equity and reported in the 2003 Access and Equity Annual Report - extent to which the private sector implements diversity management initiatives - assistance provided by the Council for Multicultural Australia in the implementation of the Multicultural Australia: United in Diversity policy, particularly regarding community relations and productive diversity issues. 	<p>The Minister accepted departmental advice about, and reports on, implementation of 'Multicultural Australia: United in Diversity'. These included, in particular, proposals and projects for furthering community harmony, access and equity, and the economic benefits of cultural diversity, and working with specific sectors of the Australian community such as local government, rural/regional Australia, young people, the media and business.</p> <p>The Minister participated in a range of Harmony Day 2004 activities.</p> <p>The Minister sought and accepted departmental advice concerning community relations issues.</p> <p>The Minister accepted a coordinated report on the 'Charter of Public Service in a Culturally Diverse Society' based on input from 58 APS agencies. He publicly announced that 53 of these agencies met all relevant Charter performance indicators, and that a large number of indicators were met well.</p> <p>The Minister hosted two luncheons for 300 business leaders, many from the top 100 businesses in Australia. The themes of the luncheons, doing business with Europe and China, set the scene for the department to promote the benefits of cultural diversity for Australian business.</p> <p>In August 2003, the Minister appointed a second Council for Multicultural Australia, for a period of 3 years. The Minister requested CMA members represent him at certain functions, and sought Council's advice on promoting Harmony Day, working with the business sector and addressing certain community relations issues.</p>
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Objective

To provide policy advice on Australian multiculturalism and to promote community harmony to ensure that cultural diversity is a unifying force in Australia.

Description

This output covers implementation of the multicultural policy reflected in *Multicultural Australia: United in Diversity, Strategic Directions for 2003-06*. The strategic directions are community harmony, access and equity and productive diversity.

Analysis of Performance

Community Harmony

Harmony Day, 21 March, which aims to recognise and celebrate Australia's inclusiveness as well as its diversity, and which coincides with the United Nations Day for the Elimination of Racial Discrimination, received increased public support in 2004. In particular, there was strong public endorsement from 19 Harmony Day partners from business, media, sporting and peak community organisations, an increase from 12 partners in 2003.

Participation from partners, which were chosen for their strong national profiles and proven credentials as corporate and social leaders, increased from 12 events in 2003 to over 250 in 2004.

In all, the department's website recorded a total of 3,927 registrations for Harmony Day events (767) or product orders (3,160). Six per cent were from local government, 15 per cent from community organisations, and 53 per cent from schools and other educational bodies. Harmony Day partners also accounted for six per cent of registrations. Departmental, federal and state government, faith and individual activities accounted for the remainder.

Media coverage of Harmony Day increased by about 40 per cent compared with 2003.

TABLE 13

Medium	2003	2004
Newspapers	641	764
Television	91	256
Radio	219	391
Internet	50	24

Source: Media Monitors

Independent media analysis concluded that Harmony Day is becoming a signifier in its own right, with people using the phrase to describe successful inter-community relations. This indicates Harmony Day is taking root and adapting to the needs of the community, becoming more than simply a label for an event. Harmony Day is becoming synonymous with inclusiveness, respect and cultural diversity.

The department managed six Living in Harmony partnerships, including a new one formed with the Australasian Police Multicultural Advisory Bureau (APMAB) to support its Mosaic Fund. The mission of APMAB is to recommend to Police Commissioners coordinated national policies, programs and initiatives for improving relations between police forces and multicultural communities in Australasia. The Mosaic Fund is an initiative which offers grants and strategic support for police working together with the community in response to contemporary issues of multicultural Australia.

DIMIA's state and territory offices consulted with over 6,000 community groups and individuals, government and non-government agencies to build coordinated working relationships, ensure all interested parties

are included in the management of portfolio policies and programs, and negotiate on matters which had the propensity to affect community harmony. State and territory offices maintained more intensive contact with more than 2,500 individuals and community organisations. Community leaders continue to report satisfaction with ongoing liaison and consultation, particularly in relation to settlement and community relations issues.

Information gathered for departmental Multicultural Issues Reports and the Community Updates Reports provided the Ministers and Executive with information about broad community issues and, together with advice received from other Australian government agencies, assisted in updating the community relations strategy. The strategy ensures the government's readiness to address major community relations tensions that may arise in the future.

The Minister for Citizenship and Multicultural Affairs launched the 2004 Diary of Multicultural Events on 2 December 2003. The diary, which serves to raise awareness and communicate key messages about Australian diversity and multiculturalism, is widely used by schools and charitable organisations as a guide to the key dates in the lives of their diverse communities, constituencies and customer bases. The department distributed over 5,000 copies of the diary around the country to schools, child-care centres, federal and state police services, hospitals, prisons, private companies and ethnic community organisations.

Access and Equity

In April 2004, the department compiled and tabled the 2003 Access and Equity Annual

Report. The report reflects that there has been overall continuous improvement in departments' and agencies' performance in meeting the requirements of the Charter of Public Service in a Culturally Diverse Society.

Through its sponsorship of the inaugural Strength in Diversity category of the National Awards for Local Government, the department moved into a new phase of working with local government. The award, and associated leading practice seminars and conferences, gives the department the opportunity to promote the social, economic and cultural benefits of Australia's cultural diversity, by showcasing leading practice in local government around the country. The Minister for Citizenship and Multicultural Affairs presented awards to Kingston City Council and Kojonup Shire Council at the National General Assembly of Local Government on 23 November 2003. The councils won their awards for excellence in managing and responding to culturally and linguistically diverse constituencies.

The department facilitated a workshop on racism at the National Youth Roundtable in March 2004, seeking advice from participants about how they may or may not have experienced racism, where it happens, and appropriate countering strategies to adopt with young people. The department received positive feedback from the participants and the organisers, the Department of Family and Community Services, which has sought the department's input on changes to the focus and operations of the National Youth Roundtable next year.

Productive Diversity

The department built on nascent relationships with the Department of Education, Science and Training; the

Australian National Training Authority and Council of Deans of Business Schools; the National Centre for Vocational Education Research; and the Curriculum Corporation. With the assistance of these organisations, the department identified opportunities to influence diversity management education and training through the development and provision of generic support materials on productive diversity. The materials, developed by the department, will be used in the development of curriculum and training packages in the higher education, vocational education and training, and school sectors.

The department hosted two luncheons for over 300 business leaders and representatives from the top 100 businesses in Australia. The luncheons set the scene to promote the benefits of cultural diversity for Australian business.

OUTCOME TWO ADMINISTERED ITEM

ADULT MIGRANT ENGLISH PROGRAM (AMEP) – TUITION, ACCOMMODATION AND RELATED EXPENSES

Performance Information

MEASURES		RESULTS
Adult Migrant English Program – Tuition, accommodation and related expenses	Quantity: Tuition to 38,000 clients.	33,009
	Quality: The estimated 16,300 clients exiting the program are expected to achieve an accredited award (Certificate/Statement of Attainment) under the Certificates in Spoken and Written English (CSWE) or equivalents as follows: CSWE Certificate 1 – 39% CSWE Certificate 2 – 25% CSWE Certificate 3 – 22% A further 14% are expected to receive a Record of Achievement.	14,245 clients exited the program and achieved the Certificate of Spoken and Written English (CSWE) or equivalents as follows: CSWE Certificate 1 – 36.8% CSWE Certificate 2 – 26.1% CSWE Certificate 3 – 22% CSWE Record of achievement – 15.1%.

Objective

To maximise the participation of migrants and humanitarian entrants in the Australian community through the provision and management of a quality national English language program that meets the needs of its clients.

Program management is supported through a number of additional contracts, principally to provide research, professional development and publications, program data management and reporting and accreditation of service providers.

Description

The government funds the delivery of the AMEP to provide basic English language training to newly arrived migrants and humanitarian entrants to help them settle in Australia. The client driven program, with administered expenses of some \$98.8 million in 2003-04, is administered through 18 tuition contracts.

The *Immigration Education Act 1971* provides all newly arrived migrants and humanitarian entrants with an entitlement of up to 510 hours of English language tuition, or the number of hours it takes to achieve a functional level of English, whichever comes first.

Functional English is defined as level two on all four macro skills on the International

Second Language Proficiency Rating scale (IPSLR), or completion of Level Three of the Certificates in Spoken and Written English (CSWE).

Analysis of Performance

AMEP clients are very diverse in their cultural and linguistic backgrounds, prior experience of formal education, migration experience and age.

Tuition is provided flexibly and sensitively to meet the needs of different client groups. The client diversity is a reflection of previous and current years' migration and humanitarian programs and therefore impacts on the program's performance annually.

Reach

Reach measures the extent to which eligible migrants and humanitarian entrants take up their AMEP entitlement. In the 2003 calendar year, AMEP clients totalled 33,009 compared with 32,074 in 2002. Actual registration rates were marginally lower than the previous year.

The registration rate at 30 April 2004, for adult settlers who arrived in 2003 and who self determined as in need of English tuition was 72 per cent compared with 75 per cent in 2002.

The registration rate for each key migration category was:

- refugee and humanitarian – 85 per cent in 2003 (87 per cent in 2002)
- family – 66 per cent in 2003 (73 per cent in 2002)
- skill – 63 per cent in 2003 (65 per cent in 2002).

Retention

Retention rates in the 2003 calendar year were similar to the previous year. In 2003 AMEP clients stayed in the program, on average, for the following hours:

- refugee and humanitarian – 398 hours (compared with 399 hours for exiting clients in 2002)
- family – 344 hours (compared with 344 hours for exiting clients in 2002)
- skill – 360 hours (compared with 356 hours for exiting clients in 2002).

Results

The CSWE is a competency based national curriculum and assessment framework. The CSWE consists of three levels – Level 1 (beginners), Level 2 (post-beginners) and Level 3 (intermediate) and recognises three stages of learning based on the client's previous learning experience.

On completion of a level, clients receive the appropriate certificate (if they have achieved a sufficient number of the stated competencies), or a Statement of Attainment (if they have completed an entire module within a certificate), or a Record of Achievement setting out which competencies they have achieved.

The increase in the number of clients entering at CSWE Levels 2 and 3 and variation in CSWE award levels is a reflection of migration and humanitarian program changes impacting on the client profile.

Under the CSWE curriculum framework, of 14,245 clients (compared with 13,550 clients in 2002) exiting the AMEP in 2003:

- 56.4 per cent entered at CSWE Level 1 (compared with 55.2 per cent in

2002) and on average achieved 13 competencies (12 competencies in 2002)

- 25.2 per cent (25.8 per cent in 2002) entered at CSWE Level 2 and on average achieved 14 competencies (13 competencies in 2002)
- 17.4 per cent (17.2 per cent in 2002) entered at CSWE Level 3 and on average achieved nine competencies (eight competencies in 2002).

Certificates/Statements of Attainment were awarded to exiting AMEP clients as follows:

- Level 1 – 36.8 per cent (37.5 per cent in 2002)
- Level 2 – 26.1 per cent (25.3 per cent in 2002)
- Level 3 – 22 per cent (23 per cent in 2002)
- Record of Achievement – 15.1 per cent (14.2 per cent in 2002).

Removal of Five Year Limit to Access AMEP Tuition

The five year time limit was removed in March 2004 to help migrant and humanitarian entrants who, for family and personal reasons, are unable to take up their tuition under the AMEP within five years of their arrival. The new rule covers all those eligible for the program, who have either registered, enrolled or deferred English language tuition since January 2003.

The CSWE Curriculum

The new version of the AMEP's curriculum framework, the CSWE, was implemented in July 2003. The re-accredited CSWE sees the inclusion of some new competencies at the most basic level (such as familiarity with the letters of the alphabet), in recognition that some clients enter the program with no literacy skills.

Special Preparatory Program

Humanitarian entrants with special needs as

a result of their pre-migration experiences, eg torture and trauma, are offered up to 100 hours of English tuition in the Special Preparatory Program prior to entering mainstream AMEP classes. In 2003, 4,283 humanitarian entrants participated compared with 3,827 in 2002.

Home Tutor Scheme

The Home Tutor Scheme provides volunteer English language assistance to clients either individually in their own home or in small groups. In 2003, 3,606 clients participated compared with 4,097 in 2002.

Home Tutor Scheme Enhancement Program

The Home Tutor Scheme Enhancement Program supports community agencies offering language assistance to people not eligible for the AMEP. Support includes training tutors and help with curriculum advice and teaching materials.

In 2003-04, the Home Tutor Scheme Enhancement Program assisted with training volunteers and assisted 407 organisations nationwide engaged in providing community English language classes.

AMEP Citizenship Course

'Let's Participate: A Course in Australian Citizenship' has been a feature of the AMEP since July 2001. Since then 14,766 AMEP clients have successfully completed the course.

Research

The AMEP Research Centre based at Macquarie and LaTrobe Universities provides the AMEP's research, professional development, materials development and publications needs.

The research program is determined through a consultative process involving the AMEP

Research Centre, AMEP service providers and DIMIA. This process identifies priority areas for research, then recommends to DIMIA which projects should proceed. All stakeholders participate in this process to ensure that the projects focus on meeting the needs of AMEP clients and teachers. The results of the projects undertaken over two years (2001 and 2002), were made available in 2003-04 to all AMEP service providers.

Publications such as research reports, on-line courses for teachers, other professional development activities and production of materials such as a training video on pronunciation were just some of the ways in which the results were disseminated. Major themes of these projects included:

- investigating the client characteristics and learning processes and outcomes of particular client groups
- development of an on-line assessment task bank to assist with a consistent approach to assessment of clients' language competencies
- teaching and learning pronunciation in the AMEP including the development of an on-line professional development course
- evaluation of the implementation of the Citizenship course in the AMEP.

A number of research projects were undertaken in 2003-04 to improve language and learning delivery through revising and re-writing teaching materials, and further developing AMEP teachers. Additional projects were also undertaken and progressed by the Research Centre at DIMIA's request to effect recommendations 46 and 50 of the Report of the Review of Settlement Services for Migrants and Humanitarian Entrants: review of state and territory English as a Second Language

(ESL) courses and the Home Tutor Scheme. The fourth annual AMEP conference, held in Southport, Queensland in November 2003, was based around the theme of 'Voices from the Classroom'. More than 200 delegates participated. The conference provided a good opportunity for AMEP teachers and service providers to share knowledge particularly in best practice for the delivery of the AMEP.

OUTCOME TWO ADMINISTERED ITEM

GRANTS FOR LIVING IN HARMONY

Performance Information

MEASURES		RESULTS
Grants for Living in Harmony	Quantity: 102 Service Agreements.	122
	Quality: As specified in service agreements with grant recipients.	50 service agreements acquitted as meeting contractual obligations and contracted objectives; 29 completed service agreements in the process of acquittal; 43 ongoing service agreements yet to be acquitted.

Objective

To provide funding to eligible community organisations to address local issues affecting community harmony.

Description

The department managed 122 grants, the objectives of which were to foster community harmony by addressing local issues at the local level.

Analysis of Performance

For the 2003-04 Living in Harmony round, the department received 592 applications and 44 grants were awarded on 22 August 2003.

Of the 122 grants managed by the department during the year, 72 were still current as at 30 June 2004.

Of the 44 grants awarded in 2003-04, one has been completed successfully, with those remaining achieving high quality outcomes.

Of the 42 grants awarded in 2002-03, 27 have been completed successfully, and the remaining 15 are currently being finalised

and acquitted. The department expects, by the end of the 2004 calendar year, to acquit the remaining 14 from earlier funding years.

The 2004-05 Living in Harmony grants round was announced on 3 April 2004. Target areas for 2004-05 are older Australians, Australians living in rural and regional areas, Australian Muslim women and Indigenous Australians. The department had received 529 applications by the closing date of 30 April 2004.

OUTCOME TWO ADMINISTERED ITEM

GRANTS FOR MIGRANT COMMUNITY SERVICES

Performance Information

MEASURES		RESULTS
Grants for migrant community services	Quantity: 363 Service Agreements.	352 service agreements comprising 31 MRC/MSA grants (three of which were not extended after the grant period expired and one new organisation commenced operation in WA), 313 Community Settlement Services Scheme (CSSS) grants and eight interim grants.
	Quality: As specified in service agreements with Migration Resource Centres (MRCs) and Migrant Service Agencies (MSAs) funded work programs.	Work programs were satisfactorily delivered for MRC/MSA, CSSS and interim grants. A total of 49 Community Settlement Services Scheme (CSSS) grants ceased on 30 September 2003. On 30 June 2004 another 179 CSSS grants ceased.

Objective

To assist migrants and refugees to settle and participate equitably in Australian society.

Description

The Australian Government provides funding for grants to community-based organisations under the Community Settlement Services Scheme (CSSS) and core funding to the national network of Migrant Resource Centres (MRCs) and Migrant Service Agencies (MSAs) to deliver settlement services.

These services are intended principally for recent arrivals:

- whose communities are small and emerging
- who live in rural or remote areas
- who are refugee and humanitarian entrants or family stream entrants with lower levels of English proficiency.

In 2003-04, approximately 21 per cent of CSSS funds were directed towards small and emerging communities, 10 per cent towards rural and remote communities, and 28 per cent towards refugee and humanitarian entrants.

The remaining funding was aimed at assisting migrants with additional specific settlement needs, including those from established communities whose needs could not be adequately addressed by mainstream services.

Through the CSSS, the department is able to respond to factors such as changes in the composition of the migrant intake and settlement patterns and high priority needs that may emerge.

Funding priority is given to services that facilitate access to mainstream services.

To the extent that organisations succeed in drawing mainstream attention to specific needs, the grants also contribute to achieving the access and equity principles of Output 2.4 Appreciation of Cultural Diversity.

The principal function of the CSSS is to provide grants funding to community organisations so that they can deliver services and implement projects which:

- provide information, orientation, referral and casework services to new arrivals helping them to settle in Australia and gain access to mainstream services (direct client services)
- assist migrant communities to develop their capacity to organise, plan and advocate for their own needs (community capacity-building)
- develop settlement planning and service delivery networks to encourage delivery of culturally and linguistically appropriate services by mainstream service providers, including playing an advocacy role (service planning and development).

Core funding to the MRC/MSA network provides for administration and operational costs of the organisation and support for building a range of services to clients. The services that are to be provided are stated in a work program. A standard work program for MRCs/MSAs was developed in consultation with funded agencies in 2003-04 and included in the online application and service agreement for MRCs and MSAs in 2004-05. MRCs/MSAs vary in terms of their potential client base, their position in the broader community and the breadth of their service delivery activities. MRCs/MSAs provide similar functions as CSSS funded organisations in relation to providing direct

client services, developing community capacity-building skills and service planning and development. However, MRCs/MSAs also provide a mentoring role and can manage CSSS grants on behalf of smaller or inexperienced organisations.

MRCs/MSAs also attract and manage grants from other Australian Government agencies and state and territory governments, actively participate in settlement planning and networking, develop service directories for the local area and develop and enhance volunteer work.

Payment of funding to CSSS and MRC/MSA organisations is dependent on meeting required performance measures.

Organisations are required to report quarterly, providing information regarding the progress of the work program, financial details and milestone reports. These reporting requirements are the mechanism used to determine whether organisations are meeting their performance measures. The service delivery and reporting obligations are detailed in the service agreement.

DIMIA staff responsible for managing MRC/MSA and CSSS funding carry out regular consultations with funded organisations to assist them in meeting their performance requirements.

Analysis of Performance

A total of \$27.13 million was provided for migrant community services grants in 2003-04 to support the settlement needs of migrants. \$18.82 million was directed to CSSS, \$8.16 million was allocated for core funding to 31 MRCs/MSAs, and \$150,000 was allocated for training of funded organisations.

During 2003-04, DIMIA supported the provision of settlement services to the migrant community through the administration of 352 service agreements with organisations funded under CSSS and through core funding to MRCs/MSAs.

A total of 181 new CSSS grants were awarded for the period commencing 1 October 2003 - 30 June 2004. Combined with existing grants, there were 313 CSSS grants managed in the 2003 funding year.

During the 2003 funding year, 10 organisations (the same number as in 2002) had their payments delayed due to lack of progress in completing performance reports or failure to provide financial information relating to their grant.

The 31 MRCs/MSAs that received core funding in 2003-04 satisfactorily delivered work programs and met reporting requirements. One MRC was offered an initial six months funding with funding for the second period conditional on management improvements being introduced. Full funding for the second half of the year was restored after performance issues were addressed.

Core funding is currently provided to 28 MRCs/MSAs. Core funding to three MRCs: Botany MRC (NSW), Northern Suburbs MRC (WA) and South Metropolitan MRC (WA), ceased at the end of December 2003 due to declining client numbers. Botany MRC received an ad-hoc grant for the period January to June 2004. The two MRCs in WA effectively merged and the new Metropolitan MRC commenced operation on 5 January 2004. The four CSSS grants held by the MRCs in WA have continued.

Consultation with MRCs/MSAs and CSSS organisations occurred on the implementation of relevant recommendations of the SSR. These included consultations about development of a standardised work program, introduction of a new performance review process, development of a revised client statistical system and improved financial monitoring through a program of audits.

OUTCOME TWO ADMINISTERED ITEM

MULTICULTURAL AFFAIRS (GRANT TO FEDERATION OF ETHNIC COMMUNITIES' COUNCILS OF AUSTRALIA (FECCA))

Performance Information

MEASURES		RESULTS
Multicultural Affairs (Grant to Federation of Ethnic Communities' Councils of Australia (FECCA))	Quantity: 1 grant.	1 grant of \$350,000 to FECCA.
	Quality: As specified in the contract (which includes a detailed workplan).	FECCA improved reporting and made a concerted effort to increase its reach to the broader community, in particular through its website.

Objective

To enable FECCA to provide advice to the government on the views and needs of ethnic communities in Australia.

in Multicultural Australia', 'The Media in a Pluralistic Society' and 'Leadership and Advocacy Part 1 – Women and Young People'.

Description

The government provided a grant of \$350,000 in 2003-04 to FECCA to assist in meeting the above objective.

Australian Mosaic was distributed to a wide readership across Australia and overseas.

Analysis of Performance

FECCA made stronger efforts to promote Australian multiculturalism to the broader community, in particular by enhancing its website. It consulted, liaised and developed partnerships strategically with a wider range of individuals and organisations. FECCA reporting was more streamlined and it worked to consolidate its accountability measures.

FECCA's quarterly journal, Australian Mosaic, was relevant, comprehensive and of high quality. During the year, FECCA published four issues of Australian Mosaic, containing 99 articles, out of which six were available on-line to readers. The themes covered were – 'Global Terror and its Repercussions', 'Health and Mental Health

OUTCOME TWO ADMINISTERED ITEM

NATIONAL ACCREDITATION AUTHORITY FOR TRANSLATORS AND INTERPRETERS (NAATI) – CONTRIBUTION**Performance Information**

MEASURES		RESULTS
National Accreditation Authority for Translators and Interpreters (NAATI) Ltd – Contribution	Quantity: As specified in the NAATI Business Plan 2000-04 and the Funding Agreement between NAATI and the Commonwealth, State and Territory Governments.	4,209 translating and interpreting tests conducted. 1,428 accreditations granted (including 18 in Indigenous languages). Tests conducted in eight metropolitan cities and six regional locations in 56 languages for accreditation.
	Quality: As specified in the NAATI Business Plan 2000-04 and the Funding Agreement between NAATI and the Commonwealth, State and Territory Governments.	Outputs specified in the NAATI Business Plan and funding agreement achieved and in some areas exceeded.

Objective

To set and maintain high national standards in translating and interpreting to enable the existence of a pool of accredited translators and interpreters responsive to the changing needs of the Australian society.

Description

The government contributes to the operational costs of NAATI, a company limited by guarantee, together with state and territory governments, to ensure the continued existence of a pool of accredited translators and interpreters, and to set national professional standards in the delivery of translating and interpreting services for Australia's culturally and linguistically diverse society.

DIMIA provided an advance of \$441,000 in 2003-04 towards the operational costs of NAATI.

Payment to NAATI is based on a funding agreement, which specifies NAATI outputs that contribute to the achievement of the Australian Government and state and territory governments' objectives in relation to the provision of translating and interpreting services. During the year, NAATI members considered and agreed to a proposal that the funding agreement be changed from an annual agreement to a three year agreement to provide a level of certainty to NAATI and thereby achieve continuity of services.

Analysis of Performance

The delay in finalising the three year funding agreement meant that NAATI did not have a formal basis for performance reporting to its members. Preliminary reporting is that NAATI continued to deliver services in 2003-04 in accordance with the objectives of the company. Work commenced on increasing the pool of qualified

interpreters in new and emerging community languages for which there are shortages of interpreters, consistent with recommendation 53 of the Report of the Review of Settlement Services for Migrants and Humanitarian Entrants.

Formal reporting on NAATI performance in 2003-04 will be included in the department's 2004-05 Annual Report.

OUTCOME TWO ADMINISTERED ITEM

ASSISTANCE FOR FORMER CHILD MIGRANTS

Objective

To provide practical support to those former child migrants, who arrived in Australia post World War II to:

- undertake reunion visits to Britain and Malta
- assist with tracing family members and counselling for reunion visits
- assist state governments with the erection of memorials to former child migrants.

former child migrants to assess eligibility to access the fund and makes all travel arrangements.

ISS had received 637 applications at 30 June 2004. A total of 563 applications had been approved and 308 former child migrants had undertaken their reunion visit as of that date.

Description

Funding of \$1 million per year for three years, commencing 2002-03, has been allocated for the operation of a travel fund to assist former child migrants who wish to undertake reunion visits to family in Britain or Malta.

The Child Migrants Trust provides tracing and counselling services to former child migrants. Funding of \$125,000 per year for three years commencing in 2002-03 has been earmarked for this service.

An amount of \$100,000 has been allocated to assist state governments to erect suitable memorials to former child migrants who settled in their state. Queensland and Western Australia have completed their memorials. Plans for memorials in the four remaining states: New South Wales, Victoria, South Australia and Tasmania are progressing. The funds are distributed equitably across all participating states.

Analysis of Performance

International Social Services (ISS) administers the travel fund and liaises with

OUTCOME TWO ADMINISTERED ITEM

WELFARE OF HUMANITARIAN MINORS WITHOUT PARENTS IN AUSTRALIA**Performance Information**

MEASURES		RESULTS
Welfare of humanitarian minors without parents in Australia	Quantity: Offshore – small number on advice from UNHCR.	295 offshore entrants in the Unaccompanied Humanitarian Minors (UHM) program as at 30 June 2004.
	Onshore – numbers assessed as in need of protection.	44 Temporary Protection Visa holders in the UHM program as at 30 June 2004.
	Quality: Appropriate guardianship, monitoring and settlement support arrangements are in place for all unaccompanied humanitarian minors.	Delegated guardianship arrangements are in place with appropriate state welfare authorities.

Objective

To provide welfare, supervision, support and settlement assistance and monitor Unaccompanied Humanitarian Minors (UHMs) under the Commonwealth and state/territories cost-share agreements.

Description

The UHM program is available to all unaccompanied minors under the age of 18 years holding Humanitarian or Protection visas who do not have parents, but who may have relatives to provide care and support.

The Minister for Immigration and Multicultural and Indigenous Affairs is empowered under the *Immigration (Guardianship of Children) Act 1946* to delegate her guardianship powers to the appropriate state and territory government authorities. The UHM program is administered on DIMIA's behalf by state and territory government child welfare agencies.

Analysis of Performance

In 2003-04, 474 minors were assisted under the UHM program. During this time 229 minors entered the program under the offshore component and 135 persons left the program. The total cost of the UHM program was \$876,743. This includes funding to state authorities to provide welfare, supervision, and settlement assistance to UHMs under the Commonwealth and state cost share agreements, and maintenance allowances payments to wards of the Minister.

As at 30 June 2004, there were 339 minors in the UHM program, 295 of whom arrived under the offshore component of the Humanitarian Program (including one minor granted a Temporary Humanitarian Visa) and another 44 who were granted Temporary Protection Visas (TPVs) onshore.

This represents an increase of 93 minors (or 38 per cent) from the same time in the previous year, mainly due to the inclusion of UHMs in extended families arriving from Africa. This increase has offset the declining number of UHMs on Protection Visas commensurate with the decline in TPV grants and the departure of minors from the program as they reach 18 years of age.

OUTCOME THREE

Outcome Three seeks *sound and well-coordinated policies, programs and decision making processes in relation to Indigenous affairs and reconciliation.*

The supporting departmental output is:

3.1 – Indigenous Policy

The primary function of the Office of Aboriginal and Torres Strait Islander Affairs (OATSIA) was to provide high level policy advice to the Minister. OATSIA worked closely with departments and agencies across the Commonwealth and the states and territories, with the objective of achieving better coordination between governments and services that can have a significant impact, particularly in the key areas of health, housing, employment and education.

With the introduction of the government's new arrangements in Indigenous Affairs from 1 July 2004, OATSIA has been incorporated into the new Office of Indigenous Policy Coordination (OIPC) within DIMIA.

OUTCOME THREE - EFFECTIVENESS MEASURES AND RESULTS

MEASURES	RESULTS
<p>Key tasks:</p> <ul style="list-style-type: none"> - provide policy advice to the Minister, including briefing and correspondence, on issues relevant to Indigenous people - provide strategic coordination and leadership on policies, programs and services to reduce disadvantage and promote Indigenous wellbeing - coordination of portfolio legislation, appointments and budget priorities for the Indigenous agencies in the portfolio - advising and instructing on certain litigation brought against the Commonwealth. 	
<p>The degree of satisfaction of the Minister and her office as expressed through formal and informal mechanisms, with the quality and timeliness of key tasks.</p>	<p>Feedback from the Minister's Office indicated that the Minister and her office considered the policy advice they received to be timely and of high standard, and were satisfied with the achievement of key tasks.</p>

KEY HIGHLIGHTS 3.1

On 15 April 2004, following the Report of the Review of the Aboriginal and Torres Strait Islander Commission (ATSIC) in November 2003 and amid increasing concerns that the organisation was dysfunctional, the government announced its intention to abolish ATSIC.

OATSIA provided significant support to the Minister in relation to the implementation of reforms in Indigenous affairs. This included preparation of legislation to amend the Aboriginal and Torres Strait Islander Commission Act 1989 and arrangements to transfer Indigenous-specific programs to mainstream departments and agencies. It also provided input into implementing other proposed reforms such as:

- the establishment of Indigenous Coordination Centres to enhance service delivery to Indigenous communities
- the establishment of a Ministerial Taskforce to oversee coordination of Indigenous policy and program delivery
- the establishment of the Office of Indigenous Policy Coordination.

DIMIA was a key player in the establishment and development of Reconciliation Place, in conjunction with the National Capital Authority. Reconciliation Place recognises the importance of understanding the shared history of Indigenous and non-Indigenous Australians. Reconciliation Place is located in the Parliamentary Triangle, between the National Library and the High Court in the Australian Capital Territory.

As part of National Reconciliation Week 2004 Senator Vanstone dedicated three new artworks at Reconciliation Place.

Two of the artworks depicted the experiences of Indigenous children who were separated from their families. The text on the major artwork is highly significant, as it was developed and agreed between the government and the National Sorry Day Committee in consultation with the Indigenous community.

The other artwork celebrated Indigenous leadership, particularly the lives of two distinguished Indigenous leaders, Neville Bonner and Vincent Lingiari.

OUTPUT 3.1 – INDIGENOUS POLICY

3.1 INDIGENOUS POLICY

Performance Information

MEASURES		RESULTS
<p>Output 3.1</p> <p>Indigenous Policy</p>	<p>Quality: The degree of satisfaction of the Minister and her office as expressed through formal and informal mechanisms, with the quality and timeliness of key tasks.</p>	<p>Feedback from the Minister's Office indicated that the Minister and her office considered the policy advice they received to be timely and of high standard, and were satisfied with the achievement of key tasks.</p>

Objective

To provide advice to government on Indigenous policy issues, coordinate Indigenous policy development with external agencies, and manage the conduct of litigation in those cases where the role of the Australian Government in Indigenous affairs is involved.

Description

The Office of Aboriginal and Torres Strait Islander Affairs (OATSIA) was responsible for providing Indigenous policy advice to the Minister and undertaking Indigenous policy development and coordination with external agencies, including in the areas of:

- community capacity and development
- family policy and reconciliation
- service delivery and performance
- land and resources
- legal and international
- agency governance and legislation.

OATSIA also worked to develop and promote whole of government approaches to tackling problems in redressing Indigenous disadvantage, identified opportunities for government to advance reconciliation and monitored and advised on current and emerging issues on Indigenous policy.

Analysis of Performance

Social Programs and Reconciliation

During the year, OATSIA provided significant input to a number of policy processes. These included the work of the Demographic Task Force and the Indigenous Employment Policy Evaluation. OATSIA also provided significant input to cross-portfolio policy development processes in respect of Indigenous social wellbeing, including family support, child support and protection, youth, alcohol and substance abuse, and family violence matters. Its involvement included participation in key forums such as the Child Health and Wellbeing Taskforce (and its Indigenous Working group subcommittee), the Secretaries' Advisory Group on Youth, the National Inhalant Abuse Task Force, the Social Health Reference Group and other ad hoc committees on specific Indigenous policy issues. OATSIA also provided support for the Minister's engagement with the National Youth Roundtable and the National Indigenous Youth Leadership Group. OATSIA made a significant contribution towards improving and ensuring the relevance of data collection in relation to Indigenous Australians. OATSIA

participated in a number of Indigenous data development steering committees and working groups led by organisations such as the Australian Bureau of Statistics (ABS), the Departments of Education Science and Training (DEST), Family and Community Services (FaCS) and Health and Ageing, and the Productivity Commission. Continuing improvement in the availability and quality of Indigenous data is essential for policy development and effective program management and monitoring and has been identified as a high priority.

During the year, DEST led a review of Indigenous specific education programs funded under Specific Purpose Payments arrangements, to which OATSIA provided substantial input. OATSIA also provided input to Indigenous education and training reports to Parliament.

The Department of Health and Ageing also led a review during the year, which focussed on primary health care and its impacts on Indigenous people. OATSIA provided a significant contribution to the review, emphasising the need for an evidence based and outcomes focussed approach.

Contributions were made to an evaluation project led by the Department of Transport and Regional Services (DOTARS). This project sought to develop a framework that will assist to determine the impact of government investments in regional Australia and assist in providing an evidence base for regional policy and program development.

OATSIA provided strong advocacy and support for the interests of Indigenous people in the development of major mainstream strategies and initiatives, such

as the second tranche of the Stronger Families and Communities Strategy announced in 2003 and the draft National Plan for Foster Children and Carers.

OATSIA prepared Cabinet coordination comments, other briefings and ministerial correspondence in the areas of Indigenous health, housing, education, telecommunications, defence, family wellbeing, reconciliation, community governance, capacity-building, employment, welfare reform and Indigenous specific budget matters. OATSIA also appeared before a number of Parliamentary committees in relation to these areas. OATSIA coordinated Ministerial briefings for the Ministerial Council on Aboriginal and Torres Strait Islander Affairs (MCATSIA) and associated officials' meetings.

OATSIA supported the Secretary of DIMIA in undertaking lead agency responsibilities with respect to the Council of Australian Government (COAG) trial site in Tasmania that is focussed on family violence issues. OATSIA provided briefings for the Secretaries' Group and co-chaired the inter-governmental Coordinating Committee for the project.

OATSIA managed the MCATSIA-sponsored independent evaluation of the effectiveness of government and non-government responses to the recommendations of the Bringing Them Home report. The review report was completed and accepted by MCATSIA in late 2003.

OATSIA played a key facilitation and coordination role in the arrangements for the design and development of new artwork for installation at Reconciliation Place in Canberra. OATSIA also coordinated the preparation of a whole-of-government response to the report of the Senate Legal

and Constitutional References Committee on progress towards national reconciliation, for consideration by the government.

OATSIA commissioned major independent research to undertake a rigorous analysis of Indigenous economic and social indicators, using data from the 1996 and 2001 censuses. This research (undertaken by Australasia Economics), focuses on disaggregated data by remoteness area to provide a more detailed analysis of change in socio-economic variables than has been available to date, providing a useful source of information for future policy development processes. The Australasia Economics report is available on the department's website.

During the year OATSIA also continued to:

- contribute to MCATSIA assessments of Indigenous Action Plans prepared by Ministerial Councils in response to the COAG Framework to Advance Reconciliation of November 2000
- work with ATSI/ATSIC on the development of an Indigenous environmental health strategy
- assist the Indigenous Communities Coordination Taskforce on evaluation and performance monitoring issues in the COAG whole-of-government trials.

Land, Legal and Economic Development

Advice was provided to the Minister on governance issues concerning agencies in the Indigenous Affairs part of the portfolio. This included advice in relation to the ATSIC review and more effective arrangements and structures for delivery of programs and services to Aboriginal and Torres Strait Islander people.

OATSIA assisted with the establishment of Aboriginal and Torres Strait Islander

Services (ATSI) on 1 July 2003 and in refinements to the Ministerial Directions issued to its Chief Executive Officer during the year. OATSIA also assisted in the transition to the new administrative arrangements to operate from 1 July 2004 by providing advice to portfolio agencies on proposed rearrangements.

It assisted in the preparation of legislation bids and policy approval in relation to proposed legislation. During the year, the Aboriginal Land Grant (Jervis Bay Territory) Amendment Bill 2003 was passed. This Bill amended the *Aboriginal Land Grant (Jervis Bay Territory) Act 1986*. The amendments facilitated improvement to the operation of the Wreck Bay Aboriginal Council.

OATSIA was significantly involved in work which prepared for the introduction of the Aboriginal and Torres Strait Islander Commission Amendment Bill 2004 into the Parliament on 27 May 2004. The Bill was passed by the House of Representatives on 2 June 2004. Following its introduction into the Senate on 15 June 2004, the Bill was referred to the Senate Select Committee on Aboriginal and Torres Strait Islander Affairs which is to report by 31 October 2004.

OATSIA also provided assistance with office-holder appointment and misconduct processes.

OATSIA advised the Minister on developing reforms to the *Aboriginal Land Rights (Northern Territory) Act 1976*. OATSIA supported the Minister in consultations with the Northern Territory Government, the Northern and Central Land Councils, Northern Territory members of the Aboriginal and Torres Strait Islander Commission and the mining industry on

possible reforms. Reforms are aimed at streamlining the exploration and mining development process for the benefit of all parties. Other significant reforms under consideration include facilitating economic development by the use of leases over Aboriginal land, improving Land Council performance following the Australian National Audit Office Report No. 28 of 2002-03, and greater regionalisation of Land Council decision-making.

OATSIA chaired the reference group assisting the Indigenous Business Review which completed the Report on Support for Indigenous Business in November 2003. The terms of reference required the Review to report on how the Australian Government can best stimulate Indigenous business and address any outstanding gaps in Indigenous business support. OATSIA provided advice to the Minister on the report's findings and recommendations.

OATSIA advised the Minister on the development of an economic development concept framework by MCATSIA. Following acceptance of a draft concept framework in May 2004, MCATSIA agreed to develop a whole-of-government action plan in consultation with other Ministerial Councils. The plan will identify key actions and responsibilities for enhancing Indigenous economic development.

Following consultations with states and other relevant bodies, OATSIA prepared a draft discussion paper on impediments to economic development on Indigenous land for MCATSIA. The Standing Committee of Aboriginal and Torres Strait Islanders Affairs (SCATSIA) considered the draft paper at its meeting in April 2004. The draft paper concluded that while freeing up

restrictions on leasing of Indigenous land might assist Indigenous economic development, there were many other factors which also impeded such development. The paper concluded the greatest factors were lack of capacity and poor governance. In April 2004 SCATSIA agreed to integrate the findings of the report into its economic development concept framework.

OATSIA monitored initiatives to repatriate Indigenous human remains from the United Kingdom and other countries. OATSIA provided advice to the Minister, ATSI and other government departments on strategies to assist such initiatives.

OATSIA represented DIMIA at the third session of the Permanent Forum on Indigenous Issues in New York, USA, in May 2004. The session concluded with a large number of recommendations dealing with a range of issues including Indigenous women and traditional knowledge. OATSIA continued its involvement in negotiations surrounding the Draft Declaration on the Rights of Indigenous Peoples. The last sessions of the working group on the Draft Declaration on the Rights of Indigenous Peoples will be held in 2004 subject to possible extension of its mandate.

Litigation in 2003-04 included:

- ongoing litigation surrounding the suspension of Aboriginal and Torres Strait Islander Commission Chairperson, Mr Geoff Clark
- defence of a challenge against the creation of Aboriginal and Torres Strait Islander Services
- recovery of the amount of \$71,486 by the Australian Government in its ongoing pursuit of costs in the Hindmarsh Island litigation

- recovery by the Australian Government of \$105,000 from the Foundation for Aboriginal and Islander Research Action.

OUTCOME THREE ADMINISTERED ITEM

COMPENSATION AND LEGAL EXPENSES

Performance Information

MEASURES		RESULTS
Compensation and legal expenses	Quality: Minimise the extent to which legal actions against the Commonwealth are successful.	The outcome of litigation in a number of cases involving the Commonwealth was such that the Australian Government's interests were protected.

Objective

To manage the conduct of litigation in defence of the Australian Government's interests, where certain Australian Government responsibilities in Indigenous affairs are involved.

Description

OATSIA manages the conduct of some litigation where the Australian Government's responsibilities in Indigenous affairs are involved.

OATSIA does not manage native title litigation, apart from some matters arising under Division 6 of Part 2 and Part 11 of the *Native Title Act 1993*.

During 2003-04 the litigation conducted included ongoing litigation surrounding the suspension of ATSIC Chairperson Mr Geoff Clark and defence of a challenge against the creation of Aboriginal and Torres Strait Islander Services.

The Australian Government did not initiate any litigation in the Indigenous affairs portfolio.

Of the 2,016 separated children claims lodged in the High Court 12 were remitted to the Federal Court. Of these, two were dismissed and 10 were discontinued.

OATSIA actively pursued cost recovery in a number of matters and was successful in recovering costs.

Analysis of Performance

During 2003-04 the Australian Government recovered the amount of \$71,486 in its ongoing pursuit of costs in the Hindmarsh litigation and also recovered \$105,000 from the Foundation for Aboriginal and Islander Research Action.

OUTCOME THREE ADMINISTERED ITEM

CROSS PORTFOLIO: INDIGENOUS COMMUNITIES COORDINATION TASKFORCE (ICCT)**Performance Information**

MEASURES		RESULTS
Cross-portfolio Indigenous flexible funding arrangements	Quality: Timely cross-portfolio response to community identified and government agreed priorities.	Timely cross-portfolio response was provided.

Objective

To support the Secretaries' Group on Indigenous Issues and develop the Australian Government's approach to the April 2002 Council of Australian Government (COAG) decision to trial whole-of-government arrangements with up to 10 Indigenous communities and regions.

Description

The cross portfolio ICCT was established by the Secretaries' Group on Indigenous Issues to promote and support joint activity across Australian Government agencies and to work with the Indigenous communities participating in the initiative, and with state and territory governments.

The Executive Director and Office Manager positions are funded from a contribution from the agencies represented on the Secretaries' Group. The other 8-10 members of the ICCT team remain employees of their originating agencies whilst on secondment to the taskforce. Since its establishment in August 2002, the ICCT has reported directly to the Secretaries' Group and on a day-to-day basis, the Executive Director of the ICCT reports to the Chair of the Secretaries' Group. The Secretary of DIMIA was Chair

of the Secretaries' Group until April 2004, when this position moved to the Secretary of the Department of the Prime Minister and Cabinet. This change reflected the broadened focus of the Secretaries' Group as part of the new arrangement for Indigenous affairs.

In May 2004, the Minister for Immigration and Multicultural and Indigenous Affairs announced the formation of a Ministerial Taskforce on Indigenous Affairs. The role of the taskforce, which met for the first time in June 2004, is to coordinate the government's Indigenous policies and report to Cabinet on directions and priorities in Indigenous policy. Under the new arrangements, the role of the Secretaries' Group on Indigenous Issues is to support the taskforce and report annually on the outcomes of Indigenous specific services.

In its second year of operation the ICCT was responsible for:

- achieving agreement on eight whole-of-government trial sites. The sites are the Anangu Pitjantjatjara Lands in South Australia, Cape York in Queensland, Murdi Paaki in New South Wales, Shepparton in Victoria,

the East Kimberley region of Western Australia, north-eastern Tasmania, Wadeye (pronounced Wod-air), in the Northern Territory and the Australian Capital Territory (ACT)

- liaising with the Secretaries' Group to facilitate the nomination of a Secretary and their agency to assume primary responsibility for the Australian Government's response in each of the trial sites, with other Australian Government agencies operating as partners
- assisting lead agencies to establish and develop their role in each of the trial sites
- developing a Shared Responsibility Framework that provides the basis for agreement and commitment to the particular responsibilities that will be shared by governments and communities in each of the trial sites
- establishing linkages between the whole-of-government state and territory-level structures that have been established and the COAG trial structures and ensuring that the roles of the respective tiers of government are clarified
- monitoring progress in the trial sites and reporting to the Secretaries' Group.

Analysis of Performance

Policy advice and development

Regular progress reports and briefings on policy issues were provided to the Minister for Immigration and Multicultural and Indigenous Affairs who is responsible for this COAG initiative to the Prime Minister. Reports were also made to all Ministers on the Ministers' Group on Indigenous Issues and additional reporting was provided when appropriate.

A cross portfolio funding pool (\$3 million on a cost neutral portfolio basis), which made funds available to support the communities' capacity to participate in the trials, operated in 2003-04. Funds were provided to model whole-of-government initiatives and projects that have the potential to foster sustainable development but could not be funded under existing program guidelines. The whole-of-government initiatives included a strong focus on governance as several of the Indigenous communities involved in the trials have identified the need to develop, and negotiate agreement and support for, community governance arrangements that facilitate more inclusive and effective interaction with government agencies.

Establishing whole-of-government trials

The ICCT worked with Australian Government agencies, the relevant Indigenous communities and state and territory governments to negotiate Shared Responsibility Agreements which:

- set out key strategic priorities identified in consultation with communities and related agreed outcomes and benchmarks
- establish partnership arrangements and outline each party's responsibilities
- support local governance and decision making.

As at 30 June 2004, Shared Responsibility Agreements had been negotiated in trial sites in the ACT, Cape York in Queensland, Wadeye in the Northern Territory, Murdi Paaki in New South Wales and Shepparton in Victoria.

The five agreements were signed in a spirit of partnership between representatives of the Indigenous communities, the Australian

Government and the relevant state or territory government. The agreements recognise and respect each of the parties' rights and responsibilities and set out the key strategic priorities and agreed outcomes that form the basis for collaborative cooperation between the community representatives and governments.

Implementing whole-of-government approaches

The Australian Government's lead agencies are at the forefront of change in the Australian Public Service (APS) approaches to the COAG trial. The sponsoring Secretaries and their respective agencies are the main drivers of the Australian Government's whole-of-government cooperative approach. The role of lead agencies over the year included:

- tailoring government action to identified community needs and aspirations
- coordinating government programs and services where this will improve service delivery outcomes and where necessary, increasing the flexibility of program guidelines to accommodate whole-of-government initiatives
- encouraging effective partnership arrangements between Australian Government agencies and across the three tiers of government
- promoting innovative approaches that deliver more effective responses to the needs of Indigenous Australians
- working with Indigenous communities to build the capacity of people in those communities to negotiate as genuine partners with government
- effecting cultural change at all levels within agencies.

The ICCT assisted staff in lead agencies to better understand the key issues being raised by Indigenous leaders and their communities and better equip them to address the challenges associated with implementing whole-of-government approaches by organising a number of activities, including:

- conducting workshops with representatives from lead agencies to share learnings and facilitate more effective whole-of-government approaches
- establishing a website that sets out the key objectives of the COAG trials in Indigenous communities and highlights new and innovative approaches
- ongoing participation in relevant meetings and seminars conducted by Australian Government agencies to promote cross-agency collaboration and involvement in the trials.

Evaluation and reporting

The Shared Responsibility Framework provides the basis for the capture of performance data, benchmarks and feedback that underpins the evaluation and reporting of new approaches and initiatives agreed to by all parties to the respective Shared Responsibility Agreements. This data is important to determining the impact of governments' activities and to nurturing mutually beneficial outcomes between governments and communities.

State and territory representatives have agreed to the implementation of a Shared Responsibility Framework that commits all parties to monitoring and evaluation of the trials and cross-jurisdictional initiatives.

Communication

The ICCT convened a meeting of the Regional Women's Advisory Council (RWAC) in Alice Springs to discuss common issues

and allow participants the opportunity to network in order to increase women's involvement in decision-making in Indigenous communities.

All relevant Aboriginal and Torres Strait Islander Commission (ATSIC) Regional Councils received ongoing briefings on the progress of the COAG trials and the whole-of-government cooperative approach being implemented. The Executive Director of the ICCT provided briefings to the ATSIC Board on several occasions.

From 1 July 2004, the role of the ICCT will be subsumed in the new Office of Indigenous Policy Coordination in DIMIA.

OUTCOME THREE ADMINISTERED ITEM

RECONCILIATION AUSTRALIA – CONTINUED SUPPORT**Performance Information**

MEASURES		RESULTS
Reconciliation Australia – Continued Support	Quantity: Provision of \$15 million to Reconciliation Australia will enable continuation and expansion of its activities in advancing the process of reconciliation between Indigenous and non-Indigenous Australians for at least four years.	Funding was provided in June 2004 to support Reconciliation Australia for at least another four years.
	Quality: Progress with process of reconciliation over time.	The efforts of Reconciliation Australia have fostered demonstrations of goodwill and involvement of governments, non-government organisations, communities and individuals in their support for the process of reconciliation and community based initiatives. There continues to be a need for strong focus on improving the socio-economic conditions of Indigenous Australians to progress the process of reconciliation.

Objective

To enable Reconciliation Australia to continue and expand its activities in advancing the process of reconciliation between Indigenous and non-Indigenous Australians for at least another four years.

Description

The government has invested significant support in Reconciliation Australia as the major public vehicle for the people's reconciliation movement. Reconciliation Australia will provide an enhanced national focus on reconciliation. It will promote and support community activities designed to foster and advance the reconciliation process, including the production of school kits and community education materials. It will further develop the Friends For Reconciliation network,

liaise with state peak reconciliation bodies for the development and coordination of community events aimed at fostering reconciliation, and engage with governments, non-government organisations and the corporate sector to advance the cause of reconciliation at the community level.

Analysis of Performance

The additional funding was provided to Reconciliation Australia in June 2004, to support the continuation and expansion of its reconciliation activities over the next four years. Analysis of performance will necessarily involve an assessment of changes in public opinion and attitudes over that time period and changes to the state of relations between the Indigenous community, the non-Indigenous community and governments.

OUTCOME THREE ADMINISTERED ITEM

RECONCILIATION PLACE – STAGE 2

Performance Information

MEASURES		RESULTS
Reconciliation Place – stage 2	Quantity: Three new artworks for installation at Reconciliation Place.	With the assistance of the National Capital Authority, the artworks were developed, manufactured and installed at Reconciliation Place. The new artworks were dedicated on 28 May 2004.
	Quality: Form and content of artworks appropriate, meaningful and acceptable to members of the Indigenous community.	Artworks developed in consultation with the Indigenous community.

Objective

To develop, manufacture and install artworks that are appropriate, meaningful and acceptable to the Indigenous community, reflecting the experience of separated Indigenous children and commemorating Indigenous leadership.

artworks represent the experiences of Indigenous children who were separated from their families.

Description

Reconciliation Place is located in the Parliamentary Triangle in Canberra, and is intended to honour the importance of reconciliation in the nation’s life. OATSIA has a central role in the ongoing development of the site.

During the process OATSIA was involved in extensive discussions with stakeholders and the NCA over the form and content of the new artworks. The National Sorry Day Committee in particular, was heavily involved in these discussions as a representative of separated children groups.

Analysis of Performance

With the assistance of the NCA, the three new artworks were developed in consultation with the indigenous community, manufactured and installed at Reconciliation Place. Feedback from a variety of sources indicated that the ceremony and artworks were well received.

PERFORMANCE AGAINST THE CLIENT SERVICE CHARTER

The department's Client Service Charter and companion brochure 'Do you have a complaint?' were introduced in 1998 as part of a whole-of-government reform agenda to promote a more open, client-focused public service.

The charter articulates the values that underpin the department's provision of client service, informs clients of the standards of service they can expect and provides clients with an avenue to comment on the department's performance.

The charter's companion brochure 'Do you have a complaint?' further describes the department's mechanism for receiving and resolving client feedback about service quality.

Both the charter and the associated complaints brochure are available in two versions, one for clients in Australia and one for clients overseas. Both are available in 19 community languages either electronically on the department's website www.immi.gov.au, or in print from our general enquiry line 131 881 or any office of the department in Australia and overseas.

To ensure that the charter continues to be a useful and strategic tool for shaping service delivery, the department commenced a review of the charter in April 2004. The purpose of the review is to implement a revised client service charter and associated feedback and complaint handling mechanism that better aligns our service standards with changes in the department's processing arrangements including the centralisation of visa processing, e-visa initiatives and third party processing. The revised charter will inform clients of our

preferred service channels and the level of assistance they can expect from the department, incorporating improved monitoring and reporting processes to promote continuous improvement in client service.

Performance against the client service charter service standards

In 2003-04 the department continued to perform strongly against the charter's service standards, with onshore offices and overseas posts significantly exceeding the benchmark performance in eight of the 13 service standards measured. The department continued to develop and implement initiatives to improve performance and client service.

DIMIA is increasing access for clients both onshore and offshore by enabling clients to lodge applications without the need to visit an office. The department is expanding the use of trusted third party providers to receive applications and increasing the range of e-lodgement services to allow clients to lodge applications online.

User testing has also been undertaken on the department's www.immi.gov.au website, with recommendations based on this testing being implemented to make the website easier for clients to use.

The department is also developing a national appointments system for introduction in 2004-05 to better manage client traffic peaks and minimise client waiting times at counters. The department's centralised contact centres in Sydney and Melbourne also inform clients of requirements and encourage the lodgement of complete applications to reduce the need for clients to

visit the department repeatedly. Other initiatives to improve performance include:

- allocating responsibility for processing certain applications, from any part of the world, to specific offices in Australia to gain efficiencies and reduce processing times
- establishing a call centre in Ottawa to respond to telephone enquiries from North America
- providing tailored client contact training to contact centre staff to enable them to respond to enquiries and other feedback more efficiently and effectively
- centralising the 133 177 client service feedback line to the contact centres to realise greater efficiencies in complaints handling.

Complaints Data & the Department's Response to Complaints

Clients can provide feedback to the department by using the tear-off portion of the 'Do you have a complaint?' brochure, or by contacting any office by letter, fax, e-mail, telephone or in person. The department also operates a dedicated client service feedback line for complaints, compliments and suggestions.

In 2003-04 the department received 12,432 calls through the 133 177 client service feedback line (compared to 11,596 in 2002-03 and 12,702 in 2001-02). Calls to the 133 177 client service feedback line include compliments, suggestions, some general enquiries and complaints.

The centralisation of the 133 177 client service feedback line to the contact centres resulted in a higher proportion of complaints being resolved immediately by contact centre

operators, with only 23 per cent requiring escalation to a complaints handling officer.

In 2003-04, 2,105 complaints were referred to a complaints handling officer, a decrease from the 2,935 complaints referred in 2002-03 but an increase on the 1,812 complaints referred in 2001-02.

The level of compliments remained steady with 517 compliments received in 2003-04 compared to 516 in 2002-03 and 270 in 2001-02.

Issues raised with complaints handling officers continued to focus on service delivery (45 per cent in 2003-04) with timeliness and staff attitude as the predominant sources of complaint. While complaints have consistently focussed on service accessibility in previous years, in 2003-04 complaints about service accessibility fell significantly (70 per cent) due to a 73 per cent decrease in complaints about telephone access. This demonstrates that the department's contact centres are meeting client demand and improving client access.

Complaints handling officers continued to resolve the majority of complaints referred to them within one to three working days (72 per cent in 2003-04). Further action was recommended in 74 per cent of cases with action being taken to either amend service procedures, provide staff training, provide staff counselling, undertake discussions in management meetings or to refer the issue to the relevant operational or policy area for action.

The review of the department's complaints handling mechanism will examine opportunities to improve complaints handling and reporting.

PURCHASER/PROVIDER ARRANGEMENTS

Purchaser Arrangements - DIMIA and DFAT Service Level Agreement

The department maintains a purchaser arrangement with the Department of Foreign Affairs and Trade (DFAT) for the purchase of management services at overseas posts.

Responsibility

The Service Level Agreement (SLA) is an agreement between DIMIA and DFAT for the provision of management services at DFAT managed posts. An agreed fee is charged for these services. The SLA is intended to facilitate efficient and effective Australian Government business overseas by avoiding unnecessary duplication of common services at overseas posts.

Control Arrangements

The initial SLA covered the period 1 July 2001 to 30 June 2004. Negotiations with DFAT for a replacement agreement commenced in December 2003, with the SLA that formally expired in June 2004 extended until these conclude. The SLA details the management services, performance standards and cost recovery arrangements to be provided for the term of the agreement. Management services include personnel services, office services, property services, financial services and communications. The agreement also contains a dispute resolution mechanism and a provision for reduced fees if services are not provided to the agreed standard.

Resourcing

DIMIA pays a global service fee for management services for each financial year of the SLA. The fee was fixed in the first year and only varied annually after that in

the event of a variation of five per cent or more in either DFAT locally-engaged-employee salary costs or DIMIA staffing numbers. The 2003-04 SLA fee was \$5.75 million, which was unchanged from 2002-03.

Performance against Outcomes and Outputs

The SLA contributes to the department's outcomes through the efficient delivery of support services at overseas posts.

Provider Arrangements - Cluster 3 Contract Management

The department obtains its IT and telecommunications services as part of Cluster 3. IT services are provided by Computer Science Corporation (CSC) Australia Pty Ltd. Telecommunications services are provided by Optus Networks Pty Ltd. The Cluster Support Unit (CSU) which is accommodated in DIMIA provides a coordination function for the Cluster contract management.

The Cluster extended its contracts with CSC and Optus until 30 June 2007.

The services received by each of the Cluster agencies are set out below:

- DIMIA (CSC and Optus)
- Australian Electoral Commission (CSC and Optus)
- Department of Finance and Administration Electorate Offices System (Optus)
- Australian Government Analytical Laboratories (Optus)
- National Mapping Division Geoscience Australia (Optus)
- IP Australia (CSC and Optus)
- IPS Radio and Space Services (Optus).

Note: Some agencies who were former Department of Finance bureau customers also receive services under the contracts.

Responsibility

In 2003-04 the previous Cluster 3 Management Office was replaced by a streamlined Cluster Support Unit (CSU). The CSU is responsible for:

- providing high level support to the Cluster Management Committee
- maintaining the integrity and currency of the service agreements through variations
- meeting other contract management requirements, as requested by the Cluster Management Committee
- providing agencies with ad hoc advice regarding the Cluster's contracts.

Control Arrangements

Cluster 3 agencies are parties to a Memorandum of Understanding (MOU) which establishes:

- protocols of operation for dealing with the contractors
- the Cluster 3 Management Committee
- the CSU.

Resourcing

The MOU provides for Cluster contract management resources and funding. Agencies contribute towards the management and administrative costs on an agreed basis, commensurate with usage.

Performance against Outcomes and Outputs

The CSU contributes to Cluster agencies' and Australian Government objectives of IT and telecommunications infrastructure outsourcing by providing a central point of reference and coordination for Cluster contract management.

Part 3 | Management and Accountability

CORPORATE GOVERNANCE

SENIOR MANAGEMENT COMMITTEES AND THEIR ROLES

The senior management responsibilities of the department are shown in the corporate structure chart on page 14.

The department’s executive arrangements include a Management Board, Finance Committee, People Management Committee, IT Governance Committee and Departmental Audit and Evaluation Committee. These bodies have reinforced the department’s ability to deliver its outcomes and outputs cost effectively and to a high standard.

The Management Board is responsible for providing leadership and overall management of DIMIA through the development of strategies and plans. The board monitors the achievement of departmental outputs centrally, in state and territory offices and overseas through an established reporting framework. The Management Board is supported by a number of specialised committees.

The Finance Committee provides advice to the Management Board on strategic

financial management issues, planning and performance monitoring, and reporting. The committee oversees and monitors budget, performance improvement and corporate governance processes, ensuring consistency with government objectives and the department’s business directions.

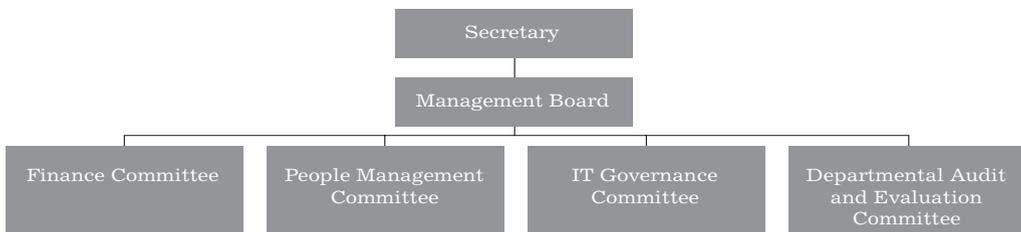
The People Management Committee was established to strengthen the department’s focus on strategic human resource management with a view to achieving high performance outcomes and becoming an employer of choice. The committee provides guidance to the Management Board on a wide range of people management issues.

The Management Board established the Information Technology Governance Committee in 2003. The role of this committee is to advise on the carriage of major technological matters and make recommendations on strategic directions for technology.

The Departmental Audit and Evaluation Committee (DAEC) provides regular assurance to the Secretary and the Management Board on the efficiency, effectiveness and probity of the department’s activities.

FIGURE 16

SENIOR MANAGEMENT COMMITTEES



In addition to the executive committees listed above, the department has established the following steering committees to assist with the management of particular issues:

- The Departmental Security Steering Committee provides the Management Board with advice on security within the department. This encompasses the security of people (staff and clients), information and assets
- The Client Access Steering Committee advises the Management Board on matters relating to client access and client service, and ensures that these are consistent with overall business directions
- The Identity Fraud Management Committee oversees and coordinates activities across DIMIA related to identity fraud and proof of identity
- The Biometrics Steering Committee oversees work within the department on biometrics to ensure that it meets DIMIA's corporate needs
- The MAL Review Steering Committee oversees the review of the Movement Alert List (MAL).

The department has a National Staff Consultative Forum (NSCF) established under its Certified Agreement. The NSCF meets three times a year and provides an opportunity for senior management, employee representatives and representatives of employee organisations to consult on conditions of employment and the implications of organisational and other changes.

CORPORATE AND OPERATIONAL PLANNING AND PERFORMANCE REPORTING AND REVIEW

The department's strategic plan, Business Directions 2002-2005, outlines DIMIA's strategic directions. It provides high level guidance for DIMIA staff on the specific objectives relating to each of the three outcomes, on the provision of client service and on issues of corporate governance.

The plan has two companion documents. The first, Investing for 2005 and Beyond, is a more detailed picture of how the agency will work to achieve its stated objectives over the longer term. It contains a series of specific projects to enhance business processes and improve service delivery arrangements. The plan is structured to emphasise the linkages between various activities and to promote integrated planning at all levels.

The second companion document to the department's strategic plan, Investing in People, focuses on the objective to be an employer of choice and is central to the achievement of DIMIA's business directions. It provides a framework for linking key people management initiatives to broader business direction setting.

Planning commenced in late 2003-04 to develop a replacement strategic plan for the period 2005-08. As well as documenting major changes in the department's business directions, key objectives will be to identify future information needs, to integrate key business risks and to ensure alignment between all levels of DIMIA business planning and reporting.

The Portfolio Budget Statements (PBS) describe the department's principal business activities for the year ahead and the level of

resources available. Business areas develop plans that support the delivery of the strategic priorities outlined in the Business Directions 2002-05 and the PBS. The department's Business Planning Principles and planning framework are available on the Intranet to assist in planning processes.

During 2003-04 the links between the Business Directions 2002-2005, the PBS and the Annual Report were more clearly articulated as part of a strategy to more closely align planning and performance monitoring with internal and external reporting. To further tighten the link back to individual performance, the department improved its Performance and Learning (PAL) Scheme. The improved PAL Scheme provides greater clarity on performance expectations and ensures correlation between individual agreements and broader departmental business plans and objectives.

The department continued to improve its performance reporting framework and processes during 2003-04. Work continued on the identification and treatment of high level risks and on ensuring that the ongoing review of business operations is linked to risk at both the operational and strategic level. Projects also completed during the year included the development of DIMIA Reporting Principles (to provide policy guidance to staff who develop and use reports); a Chief Executive Instruction (CEI) on Reporting and Data that formalises these principles; and review of the performance indicators in the PBS.

The focus of the review of the PBS performance indicators was to ensure that DIMIA's performance measures enable well articulated reporting on outputs and outcomes and that they reflect changing

business needs. The review concluded that overall DIMIA has a sound performance indicator framework and system in place. It identified areas where improvements could be achieved, and a number of changes subsequently were made to the indicators in the 2004-05 PBS.

A Monthly Performance Report to the Management Board, introduced in 2002-03, is now firmly established. It provides timely reporting on key, emerging issues and trends across the agency and highlights significant exceptions to output targets. It is proving to be an effective vehicle for monitoring business performance and identifying emerging performance issues.

The Finance Committee, People Management Committee, IT Governance Committee and DAEC meet regularly and undertake detailed performance monitoring in the areas of resource allocation and performance improvement; human resource management; technology; and audit, evaluation and risk management respectively. In addition, executive management at division, branch and state/territory level meet regularly to monitor and review performance. Each division and state/territory office reports to the Management Board biannually.

In order to further improve reporting and analysis capacity, an enterprise data warehouse is being planned. The department currently works from two data warehouses which cover financial data, human resource information and a wide range of program activity both onshore and offshore. A reporting strategy unit within the Corporate Governance Division oversees the prioritisation of reporting and analysis requirements sourced from the warehouse.

This ensures that reporting and analysis activity is closely aligned to current and future business priorities.

A wide range of statistical reports is currently available to line managers to enable continuous monitoring of operational performance. These reports enable monitoring at the line level in the context of overall agency performance. Reports are provided variously on-line and in hard copy at appropriate frequencies, including daily where required. The reporting framework is designed to support effective planning at both the operational and strategic level.

A continuing focus of reporting improvement initiatives in 2003-04 was to improve external reporting and to ensure a stronger alignment between internal and external performance reporting. DIMIA was one of five participating agencies in the Australian National Audit Office (ANAO) Audit Report No. 11 2003-04 on Annual Performance Reporting. The audit provided useful agency-specific comment, and the Report and the related better practice guide are being used to strengthen the Annual Report as an accountability document.

Future information needs and related reporting requirements and tools will be identified in the first half of 2004-05 in conjunction with the review of Business Directions.

In the 2003-04 Budget process, the Expenditure Review Committee (ERC) requested that a joint review of DIMIA's business processes and costs be undertaken by the Department of Finance and Administration and DIMIA, assisted by an independent efficiency expert.

This review, overseen by a steering committee comprising representatives from the Department of the Prime Minister and Cabinet; Treasury; Department of Finance and Administration; and DIMIA, was undertaken during 2003-04 and the outcomes taken back to the ERC in the 2004-05 Budget process for consideration. The review found that DIMIA is a highly efficient organisation, which continues to strive for process improvements in order to reduce costs and better place the organisation to deliver quality outcomes for government. As a result of the review, funds which had been held in the Contingency Reserve were released to DIMIA in recognition of the appropriateness of the proposed funding base for the organisation.

Some changes were recommended to streamline some corporate service functions and remove duplication. The savings from these were factored in to the agreed funding levels. A revised funding model was also adopted to replace the Purchasing Agreement approach which was used in the past. This funding model recognises that large areas of DIMIA's business are strongly influenced by factors beyond the agency's control (such as litigation) and funds for items such as these are therefore quarantined.

RISK MANAGEMENT AND INTERNAL AUDIT ARRANGEMENTS

Risk Management

DIMIA's risk management framework aims to provide a systematic way to make informed decisions and a visible assurance that risks have been recognised and managed. During 2003-04, effort was directed to improving the current risk management framework with a view to further integrating risk management into a

range of governance activities including resource planning, business planning, contract management, insurance, audit and assurance activities. The enhancements to the current framework build on risk management activities implemented over recent years and recognise the iterative nature of continuous improvement in this area. In addition to the moves to further integrate risk activity, the department will continue to seek to improve risk awareness amongst its staff.

The Internal Audit Program and other control self-assessment tools are important elements of the department's risk management strategy.

Audit Committee

The Departmental Audit and Evaluation Committee (DAEC) is a key element of the department's corporate governance and assurance arrangements. It provides regular ongoing assurance to the Secretary and the Management Board on the efficiency, effectiveness and probity of the department's operations, management, financial systems and internal controls. The DAEC also has responsibility for the development of risk management and fraud control processes and structures, and promoting a risk management and fraud awareness culture within the department. A particular focus during 2003-04 has been the development of a risk-based internal audit program.

Internal Audit

The internal audit function aims to provide the Secretary and the Management Board with independent assurance that departmental outputs and activities are operating effectively, efficiently and lawfully. The Internal Audit Section, operating under the authority of the Internal Audit Charter, is directly accountable to the DAEC.

Ernst & Young has delivered internal audit and related services on behalf of the department for the past six years. In accordance with Commonwealth procurement guidelines and better practice, DIMIA is in the process of retendering for these services, with a decision on the preferred service provider expected to be made in early 2004-05.

DIMIA cooperates with the Australian National Audit Office (ANAO) to coordinate overall audit activity within the department. The ANAO is invited to DAEC meetings and attends the Financial Statements Sub-Committee of DAEC.

The Annual Audit Program (AAP) has been developed following consultation with senior executives and managers. In 2003-04, consultation focussed on identification of the major risks facing the department. The identified risks were assessed as to the extent to which audit activity can contribute value in the management of the risk, and then compared with recent internal audit and ANAO review activity. The residual risks were prioritised and possible audit scopes developed. The resulting DAEC audit program consists of a mix of high priority cross-agency and specific area audits.

Thirteen audits were completed in 2003-04, nine of which were part of the 2002-03 AAP. Six audits from the 2003-04 AAP are almost complete and will be issued early in 2004-05. A further eight audits commenced in the last quarter of 2003-04 are expected to be completed during the first quarter of 2004-05. Audit report recommendations flowing from the AAP are monitored until they have been implemented.

Other Risk Mitigation Strategies

Control self-assessment tools allow active

monitoring of performance and compliance across a range of DIMIA's financial, administrative and decision-making activities, with managers making critical, objective assessments of their processes and controls using externally developed checklists. Reports are provided periodically to the DAEC on the level of conformance, quality of the relevant processes, status of controls and any remedial action undertaken or proposed. Such tools continue to be a feature of DIMIA's quality control and risk management regime.

The financially based Financial Accountability and Control Tools (FACTs) are applied in Central and State/Territory Offices. Quality Control Codes (QCCs) are self-assessment tools which DIMIA employs to review decision-making and decision-making processes. Both FACTs and QCCs are onshore tools aimed at assuring compliance with procedures and the effectiveness of built-in controls. The Overseas Audit and Security Checklist combines elements of FACTs and QCCs, as well as other administrative controls, and serves a similar purpose offshore. The DAEC receives regular reports on all the above quality assurance activities.

FRAUD MEASURES

The department has had a fraud risk assessment and control plan in place since 1999. The department continued to refine its fraud control plan throughout 2003-04 and a new plan will be adopted early in 2004-05.

The department has in place measures to prevent, detect, investigate and report fraud, including internal fraud. In accordance with the Commonwealth Fraud Control Guidelines, DIMIA reports annually on these fraud measures.

ESTABLISHMENT AND MAINTENANCE OF ETHICAL STANDARDS

Revised departmental guidelines on the Australian Public Service (APS) Values and Code of Conduct are in the final stage of consultation and will be formalised in early 2004-05.

In 2003-04 the department comprehensively revised its training in this area. Approximately 1,006 employees received training on the APS Values and Code of Conduct and its application to the work of the department. Additional material relating to values and conduct is now available to employees via the Intranet.

The department also revised its strategy for providing experienced staff with refresher training on the APS Values and Code of Conduct. This strategy will be implemented in 2004-05 through new training arrangements to ensure that staff maintain their awareness of the APS Values and Code of Conduct.

A network of some 84 Harassment Contact Officers was maintained and supported to provide advice and assistance to staff across the department.

The department investigates all reports alleging criminal conduct by employees and continues to operate an Internal Investigations Steering Committee, chaired by a Deputy Secretary, to oversee investigations.

The department received 193 allegations relating to the conduct of staff during 2003-04 (compared to 162 in 2002-03). One hundred and twenty six investigations were finalised, of which 86 per cent were unfounded. Three matters involved a serious

possibility of criminal behaviour and were referred to the Director of Public Prosecutions. In addition, two locally engaged employees in overseas posts had their employment terminated for serious misconduct.

In matters where a breach of the APS Code of Conduct was found, one employee in Australia had their employment terminated, two employees were demoted or transferred at level, and 20 employees were reprimanded. Eight employees resigned during investigations.

SENIOR EXECUTIVE SERVICE REMUNERATION

Members of the Senior Executive Service in the department are remunerated through Australian Workplace Agreements (AWAs), which provide for a base salary, a limited range of fringe benefits and performance pay (see Appendix 2).

EXTERNAL SCRUTINY

JUDICIAL DECISIONS AND DECISIONS OF ADMINISTRATIVE TRIBUNALS

Decision-making under the *Migration Act 1958* is subject to a high level of external scrutiny, by Tribunals (the Refugee Review Tribunal, the Migration Review Tribunal, and the Administrative Appeals Tribunal) and by the courts. The number of challenges to Departmental and Tribunal decisions in the courts continued at a high level during 2003-04. During 2003-04 there were 4,991 applications and appeals filed in the courts, compared to 6,351 during 2002-03 and 2,597 during 2001-02.

The most common type of application filed in the courts, by a significant margin, is a challenge to a decision of the Refugee Review Tribunal affirming the refusal of an application for a protection visa. Many of these applications are filed by self-represented applicants who have little understanding of the legal issues. Many of the applications have no merit. In some cases, applications appear to have been lodged for the purpose of delaying the time at which the non-citizen is required to leave Australia. In recognition of these factors, there was a strong trend, during 2003-04, towards having these applications dealt with by the Federal Magistrates Court, in preference to the Federal Court. The Federal Court can transfer matters to the Federal Magistrates Court and, increasingly, applicants are choosing to lodge applications in the Federal Magistrates Court. This has raised workload issues for the Federal Magistrates Court, which have been addressed by the government's announcement in June 2004 of the appointment of eight additional Federal Magistrates.

The High Court made it plain, in 'Plaintiff S157/2002 v the Commonwealth' (4.02.03), that there is limited scope for direct legislative restriction of judicial review. Following that decision, it has been accepted that a decision made under the *Migration Act 1958* can be set aside by the Courts if there is 'jurisdictional error' by the decision-maker. Jurisdictional error occurs where, among other things, the decision-making process does not comply with the requirements of the legislation (including the implied requirement for procedural fairness). There was extensive judicial discussion of these issues during 2003-04, and a number of cases were appealed to the High Court.

As in 2002-03, challenges to mandatory immigration detention were prominent during 2003-04. The High Court handed down an important decision ('MIMIA v B' (29.04.04)) which held that the Family Court does not have jurisdiction in relation to children in immigration detention. As at 30 June 2004, the High Court had not delivered judgment in three other immigration detention test cases. Those decisions will address the length of detention permitted under the *Migration Act 1958* and the constitutional validity of the relevant provisions of the Act.

The powers in the *Migration Act 1958*, which apply to non-citizens, derive primarily from the 'aliens and naturalisation' power in placitum 51(xix) of the Constitution. An important High Court decision during 2003-04 resolved doubts about whether former British subjects living in Australia were to be regarded as aliens. On 9 December 2003 the High Court delivered

judgment in *Shaw v MIMA*. That case determined that the ‘aliens’ power has reached all those persons who (a) entered Australia after the commencement of the Australian Citizenship Act on 26 January 1949 and (b) who were born out of Australia of parents who were not Australian citizens and (c) who had not been naturalised. In practical terms, this decision means that anyone who is not an Australian citizen is an ‘alien’ and is liable to the visa cancellation powers in the *Migration Act 1958*.

REPORTS BY AUDITOR-GENERAL

The Australian National Audit Office (ANAO) completed the following performance audits in the department during 2003-04.

Audit Report No 54: Management of the Detention Centre Contracts – Part A

The objective of the audit was to assess the effectiveness of DIMIA’s management of its detention agreements with the previous detention services provider, Australasian Correctional Management Pty Ltd (ACM). The audit report focussed on DIMIA’s definition of services to be delivered, the systems in place to monitor and report against contract performance, the effectiveness of controls over contract payment arrangements and DIMIA’s management of infrastructure through the detention agreements.

The ANAO chose to split the audit into two stages, separately auditing the previous and current detention services contract arrangements. As a result, this audit report did not analyse the extent to which recommendations and improvements have been built into the current arrangements. The audit report acknowledged that the

contract with ACM was developed at a time when there was limited experience in large scale contracting and that, over the course of the contract, significant pressures on the delivery of detention services occurred with unprecedented numbers of unauthorised arrivals in 1999-2001.

The audit report found that the contract with ACM did not sufficiently identify requirements and that DIMIA’s ability to assess service delivery was affected. Concerns regarding documented risk management strategies and detention infrastructure were also identified. The report commented that DIMIA did not vary or amend the contract, but DIMIA noted that it chose to drive changes into the new contract.

DIMIA accepted in full the six recommendations made in the areas of risk management, planning, research, financial controls, asset management and detention infrastructure standards. DIMIA noted that, in many of these areas, action had already been identified and work progressed. The second audit, focussed on the tender process and the current detention services contract, commenced in late June 2004.

Audit Report No. 56: Management of the Processing of Asylum Seekers

Overall the report found that processing of asylum seekers in Australia is managed well and uses experienced officers supported by appropriate training and guidelines.

The report identified two areas where it was considered that opportunities existed for DIMIA to refine existing management activity:

- expanding the quality indicators for DIMIA’s work to include a measure that assesses the key indicators of a

quality decision against the results of its quality assurance program

- enhancing DIMIA's current monitoring of that part of the caseload where processing times are affected by factors beyond its control, with a view to identifying any common causes and any actions which could be taken.

DIMIA accepted these ANAO recommendations. Some other issues of an administrative nature were commented on in the body of the report, and will be addressed as appropriate.

The ANAO substantially completed the following performance audit in the department during 2003-04.

Onshore Compliance – Visa Overstayers and Non-Citizens Working Illegally

The objective of this performance audit was to assess whether DIMIA has implemented appropriate onshore compliance strategies in regard to people who enter Australia lawfully but whose presence becomes unlawful. This can happen through expiry of the non-citizen's visa or a breach of visa conditions and cancellation of their visa.

Key areas of interest for the audit are reporting on onshore compliance, compliance risk assessment, education, inter-agency arrangements and compliance operations. The audit commenced in May 2003 and a draft report was provided to the department in early May 2004. The final report is expected to be tabled during July 2004. Late in 2003-04, the ANAO also commenced preparatory work, including developing the scope and work program for the following performance audits.

Promotion and Management of Australian Citizenship

The objective of the audit is to examine DIMIA's management and promotion of Australian Citizenship and determine the extent to which applications are processed in accordance with relevant laws and policies. The issues to be examined include whether:

- citizenship services are delivered in a timely and cost effective manner and are supported by sound management systems
- decisions to grant or revoke citizenship are accurate, consistent and in line with relevant laws and policies
- promotion strategies are effective and have been evaluated appropriately
- identified fraud is controlled through the work of the Citizenship Quality Assurance and Integrity Unit.

Advance Passenger Processing

The audit will assess the effectiveness of Advance Passenger Processing operations, which are designed to provide an appropriate level of security while facilitating efficient clearance at the border.

Other ANAO Audit Activity

DIMIA was also involved in a number of ANAO cross-agency audits and benchmarking studies during the year. Those marked '*' were reported in the 2002-03 Annual Report, however, work continued into 2003-04.

- Acts of Grace and Defective Administration Payments*
- Annual Performance Reporting*
- Survey of Fraud Control Arrangements in APS Agencies*
- Compliance with Senate Order, Audit of the Senate Order of 20 June 2001 –

Number 5 (Business Support Process Audit)

- Compliance with Senate Order, Audit of the Senate Order of 20 June 2001 – Number 6 (Business Support Process Audit)
- Performance Management in the APS
- Management of Intellectual Property in Commonwealth Agencies
- Superannuation Guarantee Payments for Contractors.

REPORTS BY PARLIAMENTARY COMMITTEES

On 19 June 2003 the Senate agreed to establish a Select Committee to inquire into Ministerial discretion in migration matters. The department provided a comprehensive submission to the committee and departmental officers gave evidence at the committee's hearings. On 31 March 2004 the committee tabled its report which contained 21 recommendations. The government is currently considering the report.

On 25 June 2003, the Senate referred the Migration Legislation Amendment (Sponsorship Measures) Bill to the Senate Legal and Constitutional Legislation Committee for inquiry and report by 12 August 2003. The department made a submission to the committee outlining the purpose and context of the Bill. Four witnesses also appeared before the committee on behalf of the department on Wednesday 23 July 2003. In its report tabled on 12 August 2003, the committee made two recommendations in relation to the regulatory framework that would be established by the Bill. Subject to these recommendations, the committee recommended that the Bill proceed. The government amended the Bill to address the committee's concerns that the Bill might

result in sponsors becoming liable to pay location and detention costs.

The Senate Legal and Constitutional References Committee Report on Progress with National Reconciliation, tabled on 9 October 2003, contained 20 recommendations regarding the process of achieving reconciliation between Indigenous and non-Indigenous Australians. DIMIA is coordinating the preparation of a whole-of-government response.

The Review of Skilled Migration was tabled on 29 March 2004. The report endorses Australia's permanent and temporary skilled migration policy settings. The report makes a range of recommendations to enhance these policy settings. The recommendations are being reviewed.

The Department of Finance and Administration lodged a submission on the proposed respecified Christmas Island Immigration Reception and Processing Centre (IRPC) with the Public Works Committee (PWC) and DIMIA appeared before the committee on 31 October 2003. The PWC Report was tabled on 2 December 2003 and recommended that the proposed respecified Christmas Island IRPC proceed, at an estimated cost of \$197.7 million.

The Senate Legal and Constitutional Legislation Committee tabled a report in September 2003 on the provisions of the Migration Legislation Amendment (Identification and Authentication) Bill 2003. The report recommended that the Bill be agreed subject to six recommendations. The matters raised in the report were addressed and the government introduced amendments to the Bill in the Senate. The Bill was assented to on 27 February 2004.

The Legal and Constitutional Legislation Committee's Report on the Migration Legislation Amendment (Migration Agents Integrity Measures) Bill 2003 and Migration Agents Registration Application Charge Amendment Bill 2003 was handed down on 25 November 2003. The Bills had been referred to the committee on 8 October 2003. The committee received 31 submissions and held a hearing on 27 October 2003. The committee made four recommendations in relation to the Integrity Measures Bill and agreed to the Charge Bill.

The government responded on the floor of the House to the committee's report by sponsoring a number of amendments to the Integrity Measures Bill. The amendments included introducing professional indemnity insurance, improving the vexatious activity sanctions scheme and strengthening the Code of Conduct, as recommended by the committee. The amended Integrity Measures Bill was subsequently passed on 24 March 2004. These two Bills, and related supporting regulations, commenced on 1 July 2004.

In November 2003, the government provided its response to the Senate Standing Committee for the Scrutiny of Bills, Fourth Report of 2000, Entry and Search Provisions in Commonwealth Legislation. In March 2004 the Senate referred a further inquiry to the Senate Standing Committee asking it to report by the first day of March 2005. The department provided comment in June on the terms of reference of the new inquiry which include:

- the government's response to the Fourth Report of 2000 and the impact on the practices and drafting of entry and search provisions
- a review of the fairness, purpose, effectiveness and consistency of entry

and search provisions in Commonwealth legislation made since the committee tabled the Fourth Report of 2000

- a review of the provisions in Commonwealth legislation that authorise the seizure of material.

MANAGEMENT OF HUMAN RESOURCES

The department has 4,718 employees, 60 per cent of whom are women (this does not include locally engaged staff overseas administered by DFAT on behalf of DIMIA). Details of the department's staffing profile are at Appendices 3 to 5.

In 2003-04, the key factor influencing the department's workforce was the department's key business delivery strategy, Global Working. The number of staff in the department working in Australia grew in response to a growing workload resulting from both the repatriation of work from overseas posts and a growth in demand for departmental visa and citizenship services, including online services.

The department managed this growth through a deliberate increase in both ongoing and non-ongoing recruitment. Given the trial nature of global processing initiatives in some offices and the need to quickly increase the number of staff, the level of non-ongoing staff increased. Many non-ongoing staff have subsequently competed successfully for ongoing entry level vacancies.

The increased recruitment activity has been supported by the development of an Internet-based recruitment system with on-line processing and assessment of applicants. This has reduced the resources required to support the routine components of the recruitment process.

The growth in staffing in some regional offices has substantially changed the structure and nature of work in those offices. Regional offices are examining work processes, with a view to combining job

elements to achieve a more varied workload and to facilitate career progression. These changes are being supported in some offices by the development of entry level training and development programs.

These developments are occurring in the context of a National Training Framework that was finalised in March 2004. The National Training Framework establishes a set of national principles to guide training activity in the department and an annual planning cycle to identify national training priorities. Its focus is to ensure that the department's investment in training aligns with its business priorities. An evaluation strategy has been developed under the auspices of the National Training Framework which focuses on the transfer of learning on the job and the links between training investment and business outcomes. This work is being managed by the department's People Management Committee.

The national training priorities for the department in 2003-04 are:

- Induction
- Client Contact
- Quality Decision-Making
- Contract Management
- Supervision and Management.

The department commenced work on systems support for the management of training with a focus on improving capacity to report on the investment in training and to support the evaluation of its effectiveness. The system is structured to report on training investment against the department's human resource capability framework. The department's new Certified Agreement supports the department's business agenda

by including a provision to recruit small numbers of staff to work patterns of hours that vary from the department's standard hours. This will support changes to the delivery of the department's business linked to the global working strategy, in particular in the telephone contact centres and e-visa processing units. The agreement also includes pay rises at the Australian Public Service average and some enhancements to conditions that assist staff in balancing their work and personal lives.

The department uses Australian Workplace Agreements (AWAs) for the Senior Executive Service (SES) staff and in a targeted way for other staff to address identified business needs. AWAs are used to attract and retain employees especially those with specialist skills or those performing their duties in remote locations or with additional responsibilities.

Fifty-one SES staff and 208 non-SES staff are covered by AWAs (see Appendix 2).

Non-salary benefits are provided to staff under AWAs who have particular managerial responsibilities. The benefits may include private plated government vehicles (usually for senior staff in regional offices with significant representational responsibilities), mobile phones, access to a personal computer and assistance with accommodation (for staff who are relocating for work purposes).

Details of the salaries paid to staff by classification are in Appendix 6.

Productivity gains in the department are being driven by the department's program of business process improvement, in particular the global working strategy. Global working is now the core mechanism for delivering a

large percentage of the department's work and includes:

- the repatriation of visa processing work from departmental offices offshore to designated visa processing centres in Australia enabling more targeted use of the department's overseas resources, particularly for integrity checking
- the establishment of client contact centres in Sydney and Melbourne which centralise the handling of client inquiries
- electronic lodgement and automated checking/visa decision making where possible.

Global Working initiatives should allow the department to deliver a growing workload in both permanent and temporary entry without the same degree of growth in pressure on the Commonwealth Budget while maintaining or improving integrity and service level standards. Centralised processing has led to improved client service including greater consistency of decision-making and improved processing times. Processing applications in Australia has produced a number of benefits including better communication between the department and Australian sponsors and stakeholders.

The introduction of electronic lodgement of visas has enabled faster processing of applications and improvements in integrity, through the use of electronic checks to support the decision-making process.

The department has also achieved productivity gains as a result of a number of Human Resource (HR) initiatives, including the increased use of bulk recruitment rounds and the introduction of our online

recruitment system. The implementation of an integrated HR and Financial Management Information System has also allowed some savings in the area of financial management in recent years.

PURCHASING

Assessment of Purchasing Against Core Policies and Principles

Significant resources are engaged in procurement activities for the department, in particular those associated with Competitive Tendering and Contracting (CTC). DIMIA has a devolved procurement framework, which places responsibility for procurement activity with the appropriate line manager. The department recognises that provision of services by third parties presents a significant risk, given the resources involved and the issues associated with the management of contracts.

The department manages its exposure to the risk involved in procurement activity by ensuring that staff comply with the Commonwealth Procurement Guidelines and the department's Chief Executive Instructions. The department also supports those involved in procurement and CTC processes through tendering and contract advice provided by a Contract Management Advisory Unit (CMAU). The CMAU maintains a help desk and ensures that regularly updated guidance material and standard tender and contract templates are readily available through the department's Intranet.

There was a 15 per cent increase in oral advice and a 67 per cent increase in written advice provided to DIMIA staff by the CMAU from last financial year. This resulted in 1,695 pieces of advice being given to 456 clients during 2003-04. The increase in requests for advice reflected a heightened awareness of the availability and value of service provided by the CMAU.

The department is committed to continuous improvement with respect to procurement

activity. It has a number of measures in place that assist in achieving best practice through the development and improvement of staff skills. These include:

- contract management forums for staff which are held on a regular basis. The forums address a range of topical CTC issues with both public and private sector representatives sharing their knowledge, experience and expertise
- the DIMIA CTC Intranet site, which has been updated following a high level review
- the appointment of three panels of specialist external advisers to provide assistance on probity, financial and business aspects of the department's tendering and contracting activities
- the development of an accredited training package, Certificate IV in Government (Tendering and Contracting), to enhance the knowledge and skills of DIMIA staff involved in procurement activity. Two courses were conducted in 2003-04 and further courses are planned.

ASSETS MANAGEMENT

Assessment of effectiveness of assets management

DIMIA manages over 5,790 assets with a gross value of \$384 million. Major asset categories are infrastructure, plant and equipment, land and buildings and intangible assets (software). These assets are managed by line areas to meet their business needs. Under accrual budgeting and accounting requirements, capital purchases are made in line with departmental capital plans. All assets are subject to an annual stocktake, which is used to update and verify the accuracy of asset records. Assets are depreciated at rates applicable for each asset class, as verified by the Australian National Audit Office (ANAO). An independent valuation of all assets, with the exception of software was conducted during the year, consistent with accounting standards.

Accrual-based monthly reports on progress of purchases against capital plans and depreciation against budget allow line managers to make informed asset replacement decisions and ensure ongoing capital budget management and accuracy of reporting.

Assets are maintained through specified maintenance programs, including contracted services.

CONSULTANTS AND COMPETITIVE TENDERING AND CONTRACTING

Consultants, Contracts and Costs

During the 2003-04 financial year, DIMIA entered into 82 formal written contracts with individuals or companies for consultancy services.

The total expenditure on all consultancies, irrespective of when the contract was entered into, was \$48 million.

There has been a significant reduction in the number and value of consultancies identified in the 2003-04 financial year due to a change in the definition of consultancy as provided by the Department of the Prime Minister and Cabinet.

More detailed information on consultancy services is available on request.

The table below (Table 14) identifies the total costs of all consultancy services paid by the department during 2003-04 (including consultancy services that were engaged prior to 2003-04).

The following table (Table 15) identifies the number of new consultancy contracts entered into by the department during 2003-04.

TABLE 14

Purpose	Total Consultancy Costs paid during the 2003-04 financial year (irrespective of when the contract was let)
Involves specialist professional knowledge and/or expertise that may not be maintained in-house.	\$42.29 million
Involves development of an intellectual output – eg research, evaluation, advice and recommendations – to assist with agency decision-making.	\$2.67 million
Involves a one-off task, a set of tasks or irregular tasks (making employment of permanent staff impractical or undesirable).	\$2.97 million
Total	\$47.93 million

TABLE 15

Purpose	Number of Consultants
Involves specialist professional knowledge and/or expertise that may not be maintained in-house.	56
Involves development of an intellectual output – eg research, evaluation, advice and recommendations – to assist with agency decision-making.	25
Involves a one-off task, a set of tasks or irregular tasks (making employment of permanent staff impractical or undesirable).	1
Total	82

COMPETITIVE TENDERING AND CONTRACTING (CTC) OUTCOMES

DIMIA engaged in a number of Competitive Tendering exercises during 2003-04. Some of the more noteworthy are as follows:

- during May 2003, a tender process was conducted to select three panels to provide advice and guidance on financial, business and probity issues related to CTC processes. Contracts were signed with seven companies for these three panels in October 2003
- a contract was awarded to the Commonwealth Bank of Australia on 28 October 2003 for the provision of transactional banking services to the department
- in December 2003, Major Training Services was engaged by the department to conduct courses for DIMIA staff on procurement and contracting processes
- new contracts were signed for the delivery of the Adult Migrant English Program (AMEP) and related services in all regions. The contracts have a combined estimated value of \$514 million over five years
- a tender process was released in February 2004 for the provision of an Employee Assistance Program for DIMIA, with a contract being signed with the successful tenderer, Davidson Trahaire Corpsych Pty Ltd on 16 June 2004.

A number of activities were commenced in 2003-04 and are yet to be finalised:

- a tender evaluation team is currently evaluating four tenders received for the provision of DIMIA guarding and cash handling services
- a Request for Tender (RFT) for legal services closed in January 2004. An

evaluation process has been conducted and contract negotiations are nearing completion. It is expected that the legal services panel will commence service delivery under the new contractual arrangements in the 2004-05 financial year

- DIMIA extended the Carlson Wagonlit Travel contract through until the end of July 2004, enabling the department to undertake a tender process for travel management services. The RFT was released in April 2004 and a tender evaluation team is currently engaged in the process of evaluating the six tenders received.

Competitive Tendering and Contracting Outcomes

Following a rigorous evaluation process, the Cluster 3 Telecommunications contract with Optus has been extended for an additional two years to commence on 1 July 2005. The Cluster will achieve substantial reduction in pricing for this extension while maintaining existing quality of service. The total estimated value to DIMIA for the two year extension period, based on current usage, is \$25.3 million (inclusive of GST).

The Cluster 3 contract extension with Computer Science Corporation (CSC) Australia Pty Ltd for the provision and support of IT infrastructure commenced on 1 July 2003. The contract extension resulted in enhancements to, and standardisation of, DIMIA's IT infrastructure. This extension provides greater predictability, improved service reliability and flexibility in DIMIA's IT environment.

Contracts let in excess of \$100,000 that do not provide the Auditor General with access to contractor's premises

The department's standard contract templates include an Australian National Audit Office (ANAO) access clause. There are, however, a limited number of circumstances where due to supplier insistence, specific industry based standard contracts have been used in preference to the department's standard contract template.

It remains the department's preference that contracts include the ANAO clause.

In the cases shown in the table below, departmental standard contracts were not used.

TABLE 16

Name of Contractor	Purpose of Contract	Value of Contract
Bellala Pty Ltd	Accommodation Lease	\$724,588
JLLS Perth	Lease of Office Space	\$221,490
Commonwealth Funds Management	Lease of Office Space	\$776,160
CPS Systems Pty Ltd	Disaster Recovery Site and Maintenance	\$410,960
Cromwell Planned Investment	Lease of Office Space	\$4,188,171
International Organization for Migration	Agreement concerning services provided by the International Organization for Migration for an assessment of the major elements of the migration management and control systems of the Government of Papua New Guinea	\$272,651

COMMONWEALTH DISABILITY STRATEGY

Assessment of Performance in Implementing the Commonwealth Disability Strategy

In the context of the reporting framework for the Commonwealth Disability Strategy, the department undertakes the roles of policy adviser, purchaser, provider and employer. Those of policy adviser, provider and employer have been examined for the purposes of this report.

Policy Adviser Role

The department commenced work on developing a Disability Action Plan in 2003, covering the period 2004–2006, as provided for in the Commonwealth Disability Strategy.

The Living in Harmony initiative encourages all Australians to celebrate diversity and promotes respect for our individual differences. One project, funded as part of the Living in Harmony Community Grants, successfully developed an anti-racism training and awareness package which addresses the vulnerability of people with disabilities to simplistic and stereotypical messages about race and ethnicity. The package, launched in January 2004, has been made available to community groups and disability service providers nationwide and is available through the Multicultural Disability Awareness Association.

Provider Role

The department's Client Service Charter addresses the broad principles of the revised Commonwealth Disability Strategy by informing clients that we will take into account any special needs they identify.

The Client Service Charter is currently under review. In developing the revised charter, the review will consider access issues, including the best means for publishing the charter for clients with a visual impairment.

The department, in consultation with the Royal Blind Society (RBS), continues to distribute a contact card to assist clients who are visually impaired. The card is printed mainly in black and white using larger font sizes, and is overlaid with braille type. In addition to distribution to offices around Australia, the visually impaired contact card has been distributed by the RBS to Migrant Resource Centres (MRC), RBS branches, blindness organisations and libraries Australia-wide.

Detention services contracts in operation during 2003–04 required the Detention Services Provider to ensure appropriately qualified personnel identify, respond to and address the special needs of detainees with a disability. Initial health screening facilitates early detection of detainees with a disability and appropriate support. All detainees with a disability have an individual detainee care plan and access to equipment and facilities which meet statutory requirements.

Detainees with a disability are provided with accommodation to suit their needs. The development plans for new detention centres, and upgrades and improvements to existing centres, incorporate these considerations.

Alternative detention arrangements are considered for detainees with a special need

on a case-by-case basis. Where the department receives professional advice that the detainee is unable to be adequately cared for within detention, the option of release from detention on a bridging visa is considered.

Employer Role

No requests have been made for a review of action this year in matters linked to disability. There have been no complaints received by departmental Harassment Contact Officers related to disability.

In 2001, the department entered into a 15-year lease in Belconnen to accommodate its central office functions. Building One was completed in 2003 and is now fully functional. Development of Building Two is nearing completion.

In signing the lease, the department required that the buildings meet maximum standards under the Building Code of Australia and relevant legislation relating to disabled services. This included exceeding code requirements for car parking, showers and toilets and certification for ramps, gradients, tearoom facilities, passageways and doors.

Sight and hearing impaired features are provided in elevators and signage and hearing loops have been included in conference facilities. All provisions have passed independent evaluation and certification.

Part 4 | Financial Statements



INDEPENDENT AUDIT REPORT

To the Minister for Immigration and Multicultural and Indigenous Affairs

Scope

The financial statements comprise:

- Statement by the Chief Executive and Chief Financial Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements

of the Department of Immigration and Multicultural and Indigenous Affairs for the year ended 30 June 2004.

The Department's Chief Executive is responsible for the preparation and true and fair presentation of the financial statements in accordance with the Finance Minister's Orders. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office (ANAO) Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of the procedures, the audit was not designed to provide assurance on internal controls.

Procedures were performed to assess whether in all material respects the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Department's financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Secretary.

Independence

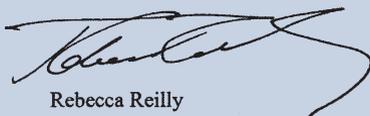
In conducting the audit, I have followed the independence requirements of the ANAO, which incorporate Australian professional ethical pronouncements.

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and applicable Accounting Standards; and
- (ii) give a true and fair view, of the matters required by applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department of Immigration and Multicultural and Indigenous Affairs as at 30 June 2004, and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Rebecca Reilly
Executive Director

Delegate of the Auditor-General

Canberra
26 August 2004

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2004 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.



W J Farmer
Chief Executive

24 August 2004



Louise Gray
Chief Financial Officer

24 August 2004

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**Statement of Financial Performance**

for the year ended 30 June 2004

	Notes	2003-04 \$'000	2002-03 \$'000
Revenues from ordinary activities			
Revenues from government	5A	751,097	807,855
Assets received from related entities	5B	23,807	-
Sales of goods and services	5C	31,028	23,238
Foreign exchange gains		18	158
Interest	5D	11	1,103
Revenue from sales of assets	5E	59	121
Other revenues from independent sources	5F	4,175	16,811
Reversal of previous asset write-downs	5G	1,620	662
Total revenues from ordinary activities		811,815	849,948
Expenses from ordinary activities (excluding borrowing cost expense)			
Employees	6A	315,266	279,529
Suppliers	6B	447,010	480,632
Depreciation and amortisation	6C	49,130	46,213
Foreign exchange losses		26	43
Value of assets sold	5E	598	224
Write-down of assets	6D	6,038	15,984
Total expenses from ordinary activities (excluding borrowing cost expense)		818,068	822,625
Borrowing cost expense	7	1,397	383
Net surplus / (deficit) from ordinary activities¹		(7,650)	26,940
Net credit / (debit) to asset revaluation reserve	13A	24,943	-
Total revenues, expenses and valuation adjustments recognised directly in equity		24,943	-
Total changes in equity other than those resulting from transactions with the Australian Government as owner		17,293	26,940

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

¹ Net surplus for 2002-03 excludes a Capital Use Charge component of \$15.417m. The Capital Use Charge was withdrawn in the 2003-04 financial year and no longer applies.

STATEMENT OF FINANCIAL POSITION

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Statement of Financial Position

as at 30 June 2004

	Notes	2003-04 \$'000	2002-03 \$'000
ASSETS			
Financial assets			
Cash	8A	22,727	24,830
Receivables	8B	84,288	89,494
Accrued revenue		14,177	14,213
Total financial assets		121,192	128,537
Non-financial assets			
Land and buildings	9A,9D	173,740	127,133
Infrastructure, plant and equipment	9B,9D	65,570	67,186
Intangibles	9C,9D	47,069	52,647
Inventories	9E	70	254
Other non-financial assets	9F	11,000	9,779
Total non-financial assets		297,449	256,999
TOTAL ASSETS		418,641	385,536
LIABILITIES			
Interest bearing liabilities			
Lease incentives	10A	8,337	8,714
Leases	10B	17,140	18,939
Total interest bearing liabilities		25,477	27,653
Provisions			
Employees	11A	100,480	92,347
Other provisions	11B	500	500
Total provisions		100,980	92,847
Payables			
Suppliers	12A	74,697	79,578
Other payables	12B	235	16
Total payables		74,932	79,594
TOTAL LIABILITIES		201,389	200,094
NET ASSETS		217,252	185,442
EQUITY			
Contributed equity	13A	123,938	109,418
Retained surpluses / (deficits)		41,788	49,440
Reserves		51,526	26,584
TOTAL EQUITY		217,252	185,442
Current assets		132,262	138,570
Non-current assets		286,379	246,966
Current liabilities		115,782	114,598
Non-current liabilities		85,607	85,496

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

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**Statement of Cash Flows**

for the year ended 30 June 2004

	Notes	2003-04 \$'000	2002-03 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		826,801	771,330
Sales of goods and services		21,317	21,004
Other		3,992	3,087
Interest		11	-
GST received from ATO		36,805	44,593
Total cash received		888,926	840,014
Cash used			
Employees		307,108	276,562
Suppliers		486,495	527,854
Cash transferred to the OPA		56,158	-
Borrowing costs		1,397	383
GST paid to ATO		1,893	1,762
Total cash used		853,051	806,561
Net cash from / (used by) operating activities	14	35,875	33,453
INVESTING ACTIVITIES			
Cash received			
Proceeds from maturity of term deposits		-	1,090
Proceeds from sales of property, plant and equipment		59	121
Total cash received		59	1,211
Cash used			
Purchase of property, plant and equipment		27,226	60,478
Purchase of intangibles		13,430	14,650
Total cash used		40,656	75,128
Net cash from / (used by) investing activities		(40,597)	(73,917)
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity		4,419	23,832
Other - Capital Use Charge refund		-	3,103
Total cash received		4,419	26,935
Cash used			
Capital Use Charge paid		-	15,417
Repayment of borrowings		1,800	7,930
Other		-	2,312
Total cash used		1,800	25,659
Net cash from / (used by) financing activities		2,619	1,276
Net increase / (decrease) in cash held		(2,103)	(39,188)
Cash at beginning of the reporting period		24,830	64,018
Cash at the end of the reporting period	8A	22,727	24,830

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

SCHEDULE OF COMMITMENTS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS SCHEDULE OF COMMITMENTS

as at 30 June 2004

	2003-04 \$'000	2002-03 \$'000
BY TYPE		
CAPITAL COMMITMENTS		
Land and buildings ¹	27,782	13,003
Infrastructure, plant and equipment ²	8,359	279
Other capital commitments ³	24,734	5,736
Total capital commitments	60,875	19,018
OTHER COMMITMENTS		
Operating leases ⁴	308,369	312,730
Other commitments ⁵	583,891	347,606
Total other commitments	892,260	660,336
COMMITMENTS RECEIVABLE ⁶	(79,707)	(54,315)
Net commitments	873,428	625,039
BY MATURITY		
Capital commitments		
One year or less	55,399	11,310
From one to five years	67	5,984
Operating lease commitments		
One year or less	77,240	42,720
From one to five years	97,495	110,666
Over five years	112,153	137,702
Other commitments		
One year or less	213,862	170,326
From one to five years	317,083	146,331
Over five years	129	-
Net commitments by maturity	873,428	625,039

NB: All commitments are GST inclusive where relevant.

1. Land and buildings commitments represent amounts attributable to office fitouts and development work at immigration detention and reception facilities.
2. The commitments relate to a range of laboratory, document examination tools and equipment for immigration detention facilities.
3. Commitments relate to an upgrade of telephony equipment for translating and interpreting services.
4. Operating lease commitments include leases for onshore and offshore accommodation, SES vehicles and photocopiers. A substantial portion of the commitment is rent for the new offices in Belconnen and the Lee Street building in Sydney.
5. Other commitments include costs for delivery of detention services, CSC, Optus, detention contracts, passenger card processing and the Service Level Agreement with the Department of Foreign Affairs and Trade.
6. Commitments receivable represents the gross GST component in commitment totals for both capital and other commitments.

Nature of Lease	General description of leasing arrangement
Leases for office accommodation	<ul style="list-style-type: none"> - lease payments are subject to annual increase in accordance with upwards movements in the Consumer Price Index; - the initial periods of office accommodation leases are still current and each may be renewed for up to five years at the Department's option, following a one-off adjustment of rentals to current market level.
Agreements for the provision of motor vehicles to senior executive officers	<ul style="list-style-type: none"> - no contingent rental exists; - there are no renewal or purchase options available to the Department.
A lease in relation to support costs for computer equipment and software	<ul style="list-style-type: none"> - the Arrangement was for 5 years and has been extended for a further 4 years at the Department's option. - the Department may vary its originally designated requirement, subject to giving three months notice, incurring no penalty.

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

SCHEDULE OF CONTINGENCIES

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS SCHEDULE OF CONTINGENCIES

as at 30 June 2004

	2003-04	2002-03
	\$'000	\$'000
CONTINGENT LIABILITIES		
Claims for damages/costs ¹	610	1,743
Other ²	240	2,451
Total contingent liabilities	<u>850</u>	<u>4,194</u>
CONTINGENT ASSETS		
Claims for damages/costs ¹	<u>3</u>	-
Total contingent assets	<u>3</u>	-
Net contingent liabilities	<u>847</u>	<u>4,194</u>

Remote contingencies are disclosed in Note 15.

¹The amount represents an estimate of the department's liability based on precedent cases. The department is defending the claims.

²Other contingent losses include disputed invoices from suppliers.

Details of each class of contingent liability and asset, including those not included above because they cannot be quantified or are considered remote, are disclosed in Note 15: Contingent Liabilities and Assets.

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

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS
SCHEDULE OF ADMINISTERED ITEMS

	Notes	2003-04 \$'000	2002-03 \$'000
Revenues administered on behalf of government			
<i>for the year ended 30 June 2004</i>			
Non-taxation revenue			
Fees and charges	20	404,188	293,072
Fines	20	5,292	7,898
Sales of goods and services	20	9,326	7,758
Recovery of detention costs	20	67,305	84,710
Other sources of non-taxation revenue	20	4,340	3,717
Total revenues administered on behalf of government		<u>490,451</u>	<u>397,155</u>
Expenses administered on behalf of government			
<i>for the year ended 30 June 2004</i>			
Grants	21	28,735	28,406
Subsidies	21	1,435	1,290
Personal benefits	21	12,691	13,126
Suppliers	21	163,226	105,520
Write-down and impairment of assets	21	62,499	90,093
Other	21	-	9
Total expenses administered on behalf of government		<u>268,586</u>	<u>238,444</u>

This schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ADMINISTERED ITEMS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS			
SCHEDULE OF ADMINISTERED ITEMS (continued)			
	Notes	2003-04 \$'000	2002-03 \$'000
Assets administered on behalf of government			
<i>as at 30 June 2004</i>			
Financial assets			
Cash	22	3,426	1,180
Receivables	22	12,541	3,510
Accrued revenues	22	12,095	5,348
Investments	22	<u>480,958</u>	<u>480,934</u>
Total financial assets administered on behalf of government		<u>509,020</u>	<u>490,972</u>
Non-financial assets			
Prepayments	22	<u>9,319</u>	<u>5,538</u>
Total non-financial assets administered on behalf of government		<u>9,319</u>	<u>5,538</u>
Total assets administered on behalf of government		<u>518,339</u>	<u>496,510</u>
Liabilities administered on behalf of government			
<i>as at 30 June 2004</i>			
Payables			
Suppliers	23	16,428	17,256
Other	23	<u>21,391</u>	<u>14,742</u>
Total liabilities administered on behalf of government		<u>37,819</u>	<u>31,998</u>
Net assets administered on behalf of government		<u>480,520</u>	<u>464,512</u>
Current assets		37,381	15,576
Non-current assets		480,958	480,934
Current liabilities		37,819	31,998
Non-current liabilities		-	-

This schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS
SCHEDULE OF ADMINISTERED ITEMS (continued)

Administered Cash Flows	Notes	2003-04	2002-03
<i>for the year ended 30 June 2004</i>		\$'000	\$'000
OPERATING ACTIVITIES			
Cash Received			
Immigration fees and charges		404,014	301,868
Sales of goods and services		11,261	7,786
Other sources of non-taxation revenue		5,990	6,914
Other - GST received from ATO		7,482	6,501
Total cash received		<u>428,747</u>	<u>323,069</u>
Cash used			
Personal benefits		12,691	13,125
Grants		32,512	28,406
Subsidies		1,384	1,290
Suppliers		174,420	115,561
Other - GST paid to ATO		2,950	1,129
Total cash used		<u>223,957</u>	<u>159,511</u>
Net cash from / (used by) operating activities		<u>204,790</u>	<u>163,558</u>
Net increase / (decrease) in cash held			
Cash at the beginning of the reporting period		1,180	1,259
Cash from the Official Public Account for:			
- Appropriations		211,755	155,492
GST appropriations		7,933	5,946
Cash to the Official Public Account for:			
- Appropriations		(417,635)	(319,712)
GST appropriations to the Official Public Account		(4,597)	(5,363)
Cash at the end of the reporting period	22	<u>3,426</u>	<u>1,180</u>

This schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ADMINISTERED ITEMS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2003-04 \$'000	2002-03 \$'000
Administered commitments			
<i>as at 30 June 2004</i>			
BY TYPE			
Other commitments			
Operating leases ¹		2,047	3,633
Grants ²		23,278	17,151
Other commitments ³		<u>616,761</u>	<u>561,542</u>
Total other commitments		<u>642,086</u>	<u>582,326</u>
Commitments receivable ⁴		<u>(30,189)</u>	<u>(25,619)</u>
Net administered commitments		<u><u>611,897</u></u>	<u><u>556,707</u></u>
BY MATURITY			
Operating lease commitments			
One year or less		730	702
From one to five years		1,131	2,600
Grant commitments			
One year or less		17,341	13,527
From one to five years		3,821	3,624
Other commitments			
One year or less		157,997	139,451
From one to five years		429,803	396,803
Over five years		1,074	-
Net administered commitments by maturity		<u><u>611,897</u></u>	<u><u>556,707</u></u>

NB: All commitments are GST inclusive where relevant.

1. Operating lease commitments relate to property leases for the Adult Migrant English Program (AMEP).
2. Grant commitments primarily relate to grants for the delivery of the Migrant Community Services and Living in Harmony programs.
3. Other commitments relate mainly to agreements with the International Organisation for Migration (IOM) and Australian Federal Police (AFP) for offshore asylum seeker management and contracts for AMEP and the Integrated Humanitarian Settlement Services Scheme (IHSS).
4. The commitments receivable total represents the gross GST component in commitment totals.

Nature of Lease	General description of leasing arrangement
Leases for office accommodation	<ul style="list-style-type: none"> - lease payments are subject to annual increase in accordance with upwards movements in the Consumer Price Index; - the initial periods of office accommodation leases are still current and each may be renewed for up to 5 years at the Department's option, following a one-off adjustment of rentals to current market value.

This schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2003-04 \$'000	2002-03 \$'000
Administered contingencies			
<i>as at 30 June 2004</i>			
Administered contingent liabilities			
Claims for damages/costs ¹	25	<u>93</u>	<u>20</u>
Total contingent liabilities		<u>93</u>	<u>20</u>
Administered contingent assets			
Claims for damages/costs ¹	25	<u>500</u>	<u>500</u>
Total contingent assets		<u>500</u>	<u>500</u>
Net contingent assets		<u>407</u>	<u>480</u>

¹ Represents an estimate of the department's liability/gain based on precedent cases.
 Assets.

Statement of activities administered on behalf of government

The major administered activities of the department are directed towards achieving the three outcomes described in Note 1 to the financial statements. The department's major financial activity is the collection of visa application fees and fines under the Migration Act 1958. The department also administers a number of grant programs to teach migrants English, assist with their assimilation in Australian society and promote harmony and multiculturalism in the community.

Details of planned activities for the year can be found in the department's Portfolio Budget and Portfolio Additional Estimates Statements for 2003-04, which have been tabled in Parliament.

This schedule should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

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3	Reclassification of Revenues and Expenses
4	Events Occurring after Reporting Date
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Note 1 - Summary of Significant Accounting Policies

1.1 Objectives of the Department

The objectives of the Department of Immigration and Multicultural and Indigenous Affairs (the department) are to manage the movement of people into and out of Australia; and to co-ordinate government policies, programs and decision making processes in relation to indigenous affairs and reconciliation.

The department produces ten outputs which contribute to the achievement of three outcomes:

Outcome 1: Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people.

Output 1.1: Non-humanitarian entry and stay

Output 1.2: Refugee and humanitarian entry and stay

Output 1.3: Enforcement of immigration law

Output 1.4: Safe havens

Output 1.5: Offshore asylum seeker management

Outcome 2: A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably.

Output 2.1: Settlement services

Output 2.2: Translating and interpreting services

Output 2.3: Australian citizenship

Output 2.4: Appreciation of cultural diversity

Outcome 3: Sound and well co-ordinated policies, programs and decision-making processes in relation to Indigenous affairs and reconciliation.

Output 3.1: Indigenous policy

Activities contributing to these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the department in its own right. Administered activities involve management or oversight by the department, on behalf of the Government, of items controlled or incurred by the Government.

The continued existence of the department in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the department's administration and programs.

1.2 Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2004)*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets, which are unrecognised, are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable and remote contingencies, which are reported at Note 15).

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets, liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.18.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2002-03.

Property, plant and equipment assets are revalued as explained in Note 1.12. Revaluations up to 30 June 2002 were done on a 'deprival' basis; since that date, revaluations have been done on a fair value basis. Revaluation increments and decrements in each year of transition to fair value that would otherwise be accounted for as revenue or expenses are taken directly to accumulated results in accordance with transitional provisions of AASB 1041 *Revaluation of Non-current Assets*.

In 2002-03, the Finance Minister's Orders introduced an impairment test for non-current assets which were carried at cost and not subject to AAS10 *Recoverable Amount of Non-current Assets*. In 2003-04, the impairment test provisions of the FMOs have been extended to cover non-current assets carried at deprival values. There were no indications of impairment for these assets.

1.4 Revenues

Revenues from Government

Departmental outputs appropriations for the year (less any current year savings or adjusted in agreement with the Minister for Finance) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Agencies are required to return to the Department of Finance and Administration amounts in excess of requirements to be managed until required for departmental expenditure. These amounts are included as an Appropriation Receivable, but are reported as separate cash flows in the cash flow statement.

Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as revenue at their fair value when the asset qualifies for recognition, unless received from another government department as a consequence of a restructuring of administrative arrangements (refer to note 1.5).

Other Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of services is recognised by reference to the stage of completion of contracts or other agreements to provide services. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services are recognised at the nominal amounts due, less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is judged to be less likely rather than more likely.

Interest revenue is recognised on a proportionate basis taking into account the interest rates applicable to the financial assets.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

1.5 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any savings offered up in Portfolio Additional Estimates Statements) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Net assets received from or relinquished to another Commonwealth agency or authority under a an agreement between the agencies, and separate from any formal restructuring of administrative arrangements are reported in the Statement of Financial Performance.

A restructuring of administrative arrangements took effect on 18 February 2003 when responsibility for the construction of the permanent Immigration and Reception Processing Centre (IRPC) on Christmas Island was transferred to the Department of Finance and Administration. The amount of funding transferred was \$61.670m and the value of the asset transferred was \$20.419m.

Capital Use Charge

A Capital Use Charge of 11% was imposed by the Government on the net assets of the department at 1 July 2002 and reported in the 2002-03 year. The assets figure was adjusted to take account of asset gifts and revaluation increments during the financial year. The charge was accounted for as a dividend to Government.

In accordance with the recommendations of a review of Budget Estimates and Framework, this charge will no longer apply after 30 June 2003.

1.6 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. As DIMIA's Certified Agreement ceased as of 30 March 2004 any calculations relating to future liabilities will use the present rates until such time as a new Certified Agreement is finalised.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. Long service leave does not accrue for overseas posts' locally engaged employees who commenced after 12 December 1976. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, 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 an actuary as at 31 March 2004. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 on behalf of the department. These contracts are negotiated at post level in order to ensure compliance with local labour laws and regulations. The individual contracts are supported and expanded upon by the LEE Conditions of Service handbook which is specific to each post. Where there is conflict between the two documents the individual contract takes precedence.

Separation and redundancy

Provision is made for separation and redundancy benefit payments in circumstances where the department has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of the department are members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The department makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Australian Government of the superannuation entitlements of the department's employees.

The liability for superannuation recognised as at 30 June 2004 represents outstanding contributions for the final fortnight of the year.

The department is required to contribute to the pension schemes for its locally engaged employees in the United Kingdom and India. The United Kingdom and India schemes have been classified as defined benefit schemes. Actuarial valuations of the pension schemes are done triennially. The pension schemes are administered by the Department of Foreign Affairs and Trade on behalf of the Australian Government.

Disclosures relating to the United Kingdom and India schemes are stated in Note 11A.

1.7 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Finance leases exist in relation to IT and communications equipment. The leases are non-cancellable and for a fixed term of 4 years with an asset refresh due after 18 months for desktop equipment. The department guarantees the residual values of all assets leased. There are no contingent rentals.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

1.8 Borrowing Costs

All borrowing costs are expensed as incurred, except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the amount of costs incurred in that period. Currently the department has no qualifying assets.

1.9 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount. The departmental cash account is non-interest bearing.

1.10 Other Financial Instruments

Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts due less any provision for bad and doubtful debts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Contingent Liabilities and Contingent Assets

Contingent Liabilities (assets) are not recognised in the Statement of Financial Position but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability (asset), or represent an existing liability (asset) in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability (asset) is recognised. A liability (asset) is recognised when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

1.11 Acquisition of Assets

Assets are recorded at cost on acquisition, except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor department's accounts immediately prior to the restructuring.

1.12 Property (Land and Buildings), Infrastructure, Plant and Equipment

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 \$2,000, 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 recognition threshold for internally developed software is \$100,000 and for purchased software \$10,000 per licence. The department has determined that it is not cost effective to manage internally developed and purchased software below these thresholds. Amounts below these thresholds are considered immaterial.

Revaluations

Basis

Land, buildings, plant and equipment are carried at valuation. Revaluations undertaken up to 30 June 2002 were done on a deprival basis; revaluations since that date are at fair value. This change in accounting policy is required by Australian Accounting Standard AASB 1041 *Revaluation of Non-Current Assets*. Fair and deprival values for each class of asset are determined as shown below.

Assets

Asset Class	Fair value measured at:	Deprival value measured at:
Land	Market selling price	Market selling price
Buildings	Market selling price	Depreciated replacement cost
Leasehold Improvements	Depreciated replacement cost	Depreciated replacement cost
Plant and Equipment	Market selling price	Depreciated replacement cost

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Land, buildings, leasehold improvements and plant and equipment are currently carried at fair value.

Under both deprival and fair value, assets which are surplus to requirements are measured at their net realisable value.

At 30 June 2004, the department had no assets in this situation (30 June 2003: Nil).

The effect of this change in accounting policy relates to those assets recognised at fair value for the first time in the current period where the measurement basis for fair value is different to that previously used for deprival value. The financial effect of the change is given by the difference between the fair values obtained for those assets in the current period and the deprival-based values recognised at the end of the previous period. The financial effect by class is as follows:

Asset Class	Increment/(Decrement)	Contra Account
Land	\$13,427,089	Revaluation Reserve
Buildings and infrastructure	\$ 9,459,901	Revaluation Reserve
Plant and equipment	\$ 2,056,046	Revaluation Reserve

Frequency

The Finance Minister's Orders require that all property, plant and equipment assets be measured at up-to-date fair values from 30 June 2005 onwards, and must be the subject of a formal valuation at least once every five years. The department undertakes revaluations when necessary to enable compliance with this order.

Assets in each class acquired after the commencement of a revaluation are not captured by the revaluation then in progress.

Conduct

All valuations are performed by qualified, independent valuers.

Depreciation and Amortisation

Depreciable property, plant and equipment assets are written-off to their estimated residual value over their estimated useful lives to the department using, in all cases, the straight line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

	2003-04	2002-03
Buildings on freehold land	40 years	40 years
Leasehold improvements	Lease term or 10 years	Lease term or 10 years
Plant and equipment	3 to 10 years	3 to 10 years

Intangible assets are amortised on a straight-line basis over their anticipated useful lives:

Useful lives are:	2003-04	2002-03
Intangibles	3 to 10 years	3 to 10 years

The aggregate amount of depreciation and amortisation allocated for each class of asset during the reporting period is disclosed in Note 6C.

Recoverable Amount Test

From 1 July 2002, Schedule 1 to the FMOs no longer requires the application of the recoverable amount test in Australian Accounting Standard AAS 10 *Recoverable Amount of Non-Current Assets* to the assets of the department when the primary purpose of the asset is not the generation of net cash inflows.

The department does not hold any property, plant or equipment whose primary purpose is the generation of net cash inflows, accordingly the change in policy has had no financial effect.

1.13 Intangibles

The department's intangible assets comprise internally developed software and purchased software for internal use. This software is carried at cost.

From 1 July 2002, Schedule 1 to the FMO's no longer requires the application of the recoverable amount test in Australian Accounting Standard AAS 10 *Recoverable Amount of Non-Current Assets* to the assets of departments when the primary purpose of the asset is not the generation of net cash inflows.

However, Schedule 1 now requires such assets, if carried on the cost basis, to be assessed for indications of impairment. The carrying amount of impaired assets must be written down to the higher of its net market selling price or depreciated replacement cost.

All software assets were assessed for impairment as at 30 June 2004. None were found to be impaired.

1.14 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value. Inventories not held for resale are valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- stores - purchase cost on a first-in-first-out basis.

1.15 Taxation

The department is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.16 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction.

Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

Associated currency gains and losses are not material.

1.17 Insurance

The department has insured for risks through the Government's insurable risk managed fund, called 'Comcover'.

Workers compensation is insured through the Government's 'Comcare Australia'.

1.18 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Accounting Standards, Accounting Interpretations and UIG Consensus Views.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the department for use by the Government rather than the department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Administration. 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 the Government and reported as such in the Statement of Cash Flows and in the Administered Reconciliation Table in Note 24. Thus the Schedule of Administered Items largely reflects the Government's transactions, through the department, with parties outside the Government.

Revenue

All administered revenues are revenues relating to the core operating activities performed by the department on behalf of the Commonwealth.

Fees are charged for visa applications and migration applications. Fines are charged for non-compliance with the *Migration Act 1958*.

Administered fees are recognised when applications are lodged with the department. Administered fines are recognised in the period in which the breach occurs. It is recognised at its nominal amount due less any provision for bad or doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.

Indemnities

The maximum amounts payable under the indemnities given is disclosed in the Schedule of Administered Items - Contingencies. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.

Grants and Subsidies

The department administers a number of grant and subsidy schemes on behalf of the Government.

Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

Administered Investments

Administered investments in controlled entities are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments, other than those required to be equity accounted, are recognised on the cost basis, adjusted for any subsequent capital injections or withdrawals and for any impairment losses.

Note 2 - Adoption of AASB Equivalents to International Financial Reporting Standards from 2005-06

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005-06. The new standards are the AASB Equivalents to International Financial Reporting Standards (IFRSs) which are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005-06, but continue to apply in the meantime.

The purpose of issuing AASB Equivalents to IFRSs is to enable Australian entities reporting under the *Corporations Act 2001* to be able to more readily access overseas capital markets by preparing their financial reports according to accounting standards more widely used overseas.

For-profit entities complying fully with the AASB Equivalents will be able to make an explicit and unreserved statement of compliance with IFRSs as well as with the AASB Equivalents.

It is expected that the Finance Minister will continue to require compliance with the Accounting Standards issued by the AASB, including the AASB Equivalents to IFRSs, in his Orders for the preparation of Agency financial statements for 2005-06 and beyond. The AASB Equivalents contain certain additional provisions which will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with the IFRSs and therefore the department will only be able to assert compliance with the AASB Equivalents to the IFRSs. Existing AASB standards that have no IFRS equivalent will continue to apply, including in particular AAS 29 *Financial Reporting by Government Departments*.

Accounting Standard AASB 1047 *Disclosing the impact of Adopting Australian Equivalents to IFRSs* requires that the financial statements for 2003-04 disclose:

- An explanation of how the transition to the AASB Equivalents is being managed, and
- A narrative explanation of the key differences in accounting policies arising from the transition.

The purpose of this note is to make these disclosures.

Management of the transition to AASB Equivalents to IFRSs

The department has taken the following steps for the preparation towards the implementation of AASB Equivalents:

The Chief Financial Officer is formally responsible for the implementation of the AASB Equivalents to International Financial Reporting Standards. The Chief Financial Officer reports regularly to the Departmental Audit and Evaluation Committee Financial Statements Sub-Committee on progress against the formal plan.

The plan requires the following key steps to be undertaken and sets deadlines for their achievement:

- Identification of the impact of all major accounting policy differences between current AASB standards and the AASB Equivalents to IFRSs progressively to 30 June 2004.
- Development of processes to capture transactions that are treated differently under existing AASB standards, and new AASB Equivalents to IFRS's.
- Identification of systems changes necessary to be able to report under the AASB Equivalents, including those necessary to enable capture of data under both sets of rules for 2004-05, and the testing and implementation of those changes.
- Quantification of the effect on the opening balances of the balance sheet as at 1 July 2004 of the new AASB Equivalents to IFRS's.
- Implementation of processing of all transactions under the new AASB Equivalents to IFRS's from 1 July 2005.
- Processing of adjustment entries to reflect the changes to the opening balance as at 1 July 2004, and the treatment of transactions subject to different treatment under the two standards in the general ledger.
- Preparation of the 2004-05 financial year statements under the new AASB Equivalents to IFRS's.
- Meeting reporting deadlines set by Finance for the 2005-06 balance sheet under AASB Equivalent Standards.

The plan also addresses the risks to successful achievement of the above objectives and includes strategies to keep implementation on track to meet deadlines.

To date, all major accounting and disclosure differences and system changes have been identified.

Major changes in accounting policy

Changes in accounting policies under AASB Equivalents are applied as if the new policy had always applied. This rule means that a balance sheet prepared under the AASB Equivalents must be made as at 1 July 2004, except as permitted in particular circumstances by AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. This will enable the 2005-06 financial statements to report comparatives under the AASB Equivalents also. Changes to major accounting policies are discussed in the following paragraphs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Property, plant and equipment

There are no borrowing costs related to qualifying assets that are currently capitalised. It is understood that the FMOs for 2005-06 will elect to expense all borrowing costs under the new AASB Equivalent standard. This election will not affect the department.

The department already complies with the requirement to record assets at fair value.

Intangible Assets

The department currently recognises internally developed software assets on the cost basis. The carrying amounts include amounts that were originally measured at deprival valuation and subsequently deemed to be cost under transitional provisions available on the introduction of AAS 38 *Revaluation of Non-current Assets* in 2000-01 and AASB 1041 of the same title in 2001-02. The AASB Equivalent does not permit intangibles to be measured at valuation unless there is an active market for the intangible. The department's internally developed software is specific to the needs of the department and is not traded. Accordingly, the department will remove the valuation component of the carrying amount of these assets on adoption of the AASB Equivalent.

Impairment of Non-Current Assets

Under the new AASB Equivalent Standard, the department's assets will be subject to assessment for impairment and, if there are indications of impairment, measurement of any impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. 'Value in use' is the net present value of net cash inflows for for-profit assets of the department and depreciated replacement cost for other assets which would be replaced if the department were deprived of them.

Inventory

The department recognises inventory not held for sale at cost, except where no longer required, in which case net realisable value is applied. The new AASB Equivalent standard will require inventory held for distribution for no consideration or at a nominal amount to be carried at the lower of cost or current replacement cost.

Employee Benefits

The provision for long service leave is measured at the present value of estimated future cash outflows using market yields as at the reporting date on national government bonds. Under the new AASB Equivalent standard, the same discount rate will be used unless there is a deep market in high quality corporate bonds, in which case the market yield on such bonds must be used.

Note 3 - Reclassification of Revenues and Expenses

The department is appropriated revenue and incurs expenditure for the operation of Offshore Asylum Seeker Processing Centres in the Republic of Nauru and on Manus Island in the Independent State of Papua New Guinea.

The department's operations performed under this program commenced in the 2001-02 financial year. In the 2001-02 and 2002-03 financial years, these amounts were reported as departmental operations. It was subsequently determined by government that a portion of these operations was administered in nature despite being funded under a departmental appropriation. In the 2003-04 year, the Department of Finance and Administration appropriated revenue for different aspects of these operations under both administered and departmental classifications to accurately reflect the nature of the operations.

Items of an administered nature have been determined to be costs incurred in the direct operation of the Asylum Seeker Processing Centres such as payments to the manager of the centre, payments to the organisations providing security and medical services to the centre, and the return of refugee applicants to their country of origin if they do not qualify for refugee status. These payments were determined to be costs associated with the operation of the governments policy of processing applications for refugee status offshore under agreements between the federal government, and the governments of the countries concerned, and therefore is outside the control of the department.

Items of a departmental nature have been determined to be those items incurred by the department and under the control of the department. These costs include departmental employees costs, travel for staff members, and depreciation on department owned assets. These payments have been determined to be related to the oversight and administration of the Asylum Seeker Processing Centres and the governments policy, and are separate to the payments made under the agreement between the federal government and the governments of the countries concerned.

The amount of expenditure and revenue reported as departmental in the 2001-02 and 2002-03 financial years that has been determined to be administered following the review of operations is as follows:

	2002-03 \$'000	2001-02 \$'000
Reported in Departmental Financial Statements		
Financial Statement Category : Revenues from Government		
Appropriations for outputs	61,882	71,441

Financial Statement Category : Suppliers		
Services from external entities	61,882	71,441

There is no effect on the overall operating surplus of the department as a result of this reclassification.

	2002-03 \$'000	2001-02 \$'000
Not reported in Administered Financial Statements		
Financial Statement Category : Suppliers		
Refugee maintenance, accommodation & humanitarian expenses	61,882	71,441

Note 4 - Events Occuring after Reporting Date

In April 2004, the Australian Government announced its intention to abolish the Aboriginal and Torres Strait Islander Commission (ATSIC) and Aboriginal and Torres Strait Islander Services (ATSIS), and to transfer their assets and functions to other agencies.

The department has taken over responsibility for delivery of some of these functions from 1 July 2004. Ownership of assets remains with ATSIS and will transfer to the department once legislation abolishing ATSIC has been passed. Ownership of a number of autonomous organisations will also transfer to the department as a result of this decision.

Administrative Arrangement Orders transferring ATSIS functions to the department and other agencies were signed by the Governor-General on 24 June 2004. Legislation abolishing ATSIC has not yet been finalised.

	2003-04 \$'000	2002-03 \$'000
Note 5 - Operating Revenues		

Note 5A - Revenues from government

Appropriations for outputs	750,158	806,859
Resources received free of charge	<u>939</u>	<u>996</u>
Total revenues from government	<u>751,097</u>	<u>807,855</u>

The following resources received free of charge were not included in the aggregate amounts in relation to revenue shown in the Statement of Financial Performance as they could not be reliably measured:

- *Australian Customs Service* - provision of services of immigration checks on crew and passengers entering Australia;
- *Office of Parliamentary Counsel* - legal services for legislative drafting; and
- *Local Government Bodies* - facilitation and conduct of Australian Citizenship ceremonies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2003-04 \$'000	2002-03 \$'000
Note 5B - Assets received from related entities		
Assets received from related entities	<u>23,807</u>	<u>-</u>
Total assets received from related entities	<u><u>23,807</u></u>	<u><u>-</u></u>

Assets received from related entities comprise Immigration Reception and Processing Centre staff housing on Christmas Island transferred from the Department of Transport and Regional Services on 1 July 2003.

Note 5C - Sales of goods and services

Goods	5,568	5,527
Services	<u>25,460</u>	<u>17,711</u>
Total sales of goods and services	<u><u>31,028</u></u>	<u><u>23,238</u></u>

Provision of goods to:

Related entities	10	-
External entities	<u>5,558</u>	<u>5,527</u>
Total sales of goods	<u><u>5,568</u></u>	<u><u>5,527</u></u>

Rendering of services to:

Related entities	330	3,542
External entities	<u>25,130</u>	<u>14,169</u>
Total rendering of services	<u><u>25,460</u></u>	<u><u>17,711</u></u>

Note 5D - Interest

Interest received from related entities	<u>11</u>	<u>1,103</u>
Total interest received from related entities	<u><u>11</u></u>	<u><u>1,103</u></u>

Interest received from related entities is made up of interest from late payment of GST refunds from the Australian Taxation Office (2003: GST refunds from the ATO, and term deposit interest from the Reserve Bank of Australia).

The department did not receive any interest from the Reserve Bank of Australia in the 2003-04 year as management of excess cash balances was transferred to the Department of Finance and Administration.

Note 5E - Net gains / (losses) from sales of assets

Land and buildings:

Proceeds from disposal	8	77
Net book value of assets disposed	<u>54</u>	<u>69</u>
Net gain / (loss) from disposal of land and buildings	<u><u>(46)</u></u>	<u><u>8</u></u>

Infrastructure, plant and equipment:

Proceeds from disposal	51	44
Net book value of assets disposed	<u>544</u>	<u>155</u>
Net gain / (loss) from disposal of infrastructure, plant and equipment	<u><u>(493)</u></u>	<u><u>(111)</u></u>

TOTAL proceeds from disposals	59	121
TOTAL value of assets disposed	<u>598</u>	<u>224</u>
TOTAL net gain / (loss) from disposal of assets	<u><u>(539)</u></u>	<u><u>(103)</u></u>

	2003-04 \$'000	2002-03 \$'000
Note 5F - Other revenues from independent sources		
Insurance recoveries	281	13,873
Other	<u>3,894</u>	<u>2,938</u>
Total other revenues from independent sources	<u><u>4,175</u></u>	<u><u>16,811</u></u>
Other revenues:		
Related entities	2,081	-
External entities	<u>2,094</u>	<u>2,938</u>
Total rendering of services	<u><u>4,175</u></u>	<u><u>2,938</u></u>
Note 5G - Reversal of previous asset write-downs		
Financial assets		
Write back of previously written off debtors	389	230
Non-financial assets		
Non-current assets - other	<u>1,231</u>	<u>432</u>
Total reversal of previous asset write-downs	<u><u>1,620</u></u>	<u><u>662</u></u>
Note 6 - Operating Expenses		
Note 6A - Employee expenses		
Wages and salaries	227,209	212,543
Superannuation	40,590	28,644
Leave and other entitlements	37,637	31,436
Separation and redundancies	2,796	1,609
Other employee expenses	<u>2,686</u>	<u>2,661</u>
Total employee benefits expense	310,918	276,893
Workers compensation premiums	<u>4,348</u>	<u>2,636</u>
Total employee expenses	<u><u>315,266</u></u>	<u><u>279,529</u></u>
Note 6B - Supplier expenses		
Goods from external entities	14,004	13,430
Services from related entities	59,820	55,771
Services from external entities	325,629	367,028
Operating lease rentals ¹	<u>47,557</u>	<u>44,403</u>
Total supplier expenses	<u><u>447,010</u></u>	<u><u>480,632</u></u>

¹ These comprise minimum lease payments only.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2003-04 \$'000	2002-03 \$'000
Note 6C - Depreciation and amortisation		
<i>Depreciation</i>		
Buildings	1,174	1,894
Leasehold Improvements	16,748	13,975
Infrastructure, plant and equipment	<u>7,251</u>	<u>7,533</u>
Total depreciation	<u>25,173</u>	<u>23,402</u>
<i>Amortisation</i>		
Amortisation of intangibles	19,000	15,675
Amortisation of infrastructure, plant and equipment under finance lease	4,957	7,136
Total amortisation	<u>23,957</u>	<u>22,811</u>
Total depreciation and amortisation	<u>49,130</u>	<u>46,213</u>

The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:

Buildings on freehold land	1,174	1,894
Leasehold improvements	16,748	13,975
Infrastructure, plant and equipment	7,251	7,533
Intangibles	19,000	15,675
Infrastructure, plant and equipment under finance lease	4,957	7,136
Total depreciation and amortisation	<u>49,130</u>	<u>46,213</u>

No depreciation or amortisation was allocated to the carrying amounts of other assets.

Note 6D - Write-down of assets

Financial assets

Bad and doubtful debts expense	4,545	4,186
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Non-financial assets

Land and buildings - write-off	842	1,505
Infrastructure, plant and equipment - write-off	<u>651</u>	<u>10,293</u>
Total write down of assets	<u>6,038</u>	<u>15,984</u>

Note 7 - Borrowing Cost Expense

Finance leases	<u>1,397</u>	<u>383</u>
Total borrowing cost expense	<u>1,397</u>	<u>383</u>

Note 8 - Financial Assets

Note 8A - Cash

Cash at bank and on hand	<u>22,727</u>	<u>24,830</u>
Total cash	<u>22,727</u>	<u>24,830</u>

Under banking arrangements in place up to 1 July 2003, monies in the department's bank accounts were swept into the Official Public Account nightly and earned interest on the daily balance at rates based on money market call rates. Since 1 July 2003, no interest is earned on the department's bank balances.

	2003-04 \$'000	2002-03 \$'000
Note 8B - Receivables		
Goods and services	11,193	8,647
Less: Provision for doubtful debts	<u>(3,625)</u>	<u>(2,885)</u>
	7,568	5,762
GST accrued receivable	4,432	4,117
GST receivable from ATO	<u>7,377</u>	<u>4,320</u>
	19,377	14,199
Appropriations receivable	<u>64,911</u>	<u>75,295</u>
Total receivables (net)	<u><u>84,288</u></u>	<u><u>89,494</u></u>

All receivables are current assets.

Credit terms are net 30 days (2003: 30 days).

No interest is applicable to receivables except on GST receivable from the Australian Taxation Office. Interest on GST receivable is only applicable if the amount is not paid within the Australian Taxation Offices guidelines for refunds of GST. The interest rate is determined by the ATO at the time that any amount of interest is payable.

Appropriations receivable undrawn are appropriations controlled by the Department but held in the Official Public Account under the Government's just-in-time drawdown arrangements.

Receivables (gross) are aged as follows:

Not Overdue	82,700	87,579
Overdue by:		
less than 30 days	663	880
30 to 60 days	330	350
60 to 90 days	311	372
more than 90 days	<u>3,909</u>	<u>3,198</u>
Total receivables (gross)	<u><u>87,913</u></u>	<u><u>92,379</u></u>

The provision for doubtful debts is aged as follows:

Not overdue	-	-
Overdue by:		
Less than 30 days	461	529
30 to 60 days	230	210
60 to 90 days	216	224
More than 90 days	<u>2,718</u>	<u>1,922</u>
Total provision for doubtful debts	<u><u>3,625</u></u>	<u><u>2,885</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

	2003-04 \$'000	2002-03 \$'000
Note 9 - Non-financial Assets		
Note 9A - Land and buildings		
Freehold land		
at cost	186	21
at 30 June 2001 valuation (deprival)	-	405
at 1 July 2003 valuation (fair value)	30,518	-
at 1 July 2002 valuation (transferred)	-	16,665
Total land	<u>30,704</u>	<u>17,091</u>
Buildings on freehold land		
at cost	78	12,727
less: accumulated depreciation	<u>(3)</u>	<u>(1,764)</u>
	<u>75</u>	<u>10,963</u>
at 30 June 2001 valuation (deprival)	-	2,860
less: accumulated depreciation	<u>-</u>	<u>(1,226)</u>
	<u>-</u>	<u>1,634</u>
at 1 July 2003 valuation (fair value)	38,674	-
less: accumulated depreciation	<u>(1,180)</u>	<u>-</u>
	<u>37,494</u>	<u>-</u>
Total buildings on freehold land	<u>37,569</u>	<u>12,597</u>
Leasehold improvements		
at cost	13,276	74,832
less: accumulated depreciation	<u>(568)</u>	<u>(6,155)</u>
	<u>12,708</u>	<u>68,677</u>
work in progress - at cost	12,781	8,454
at 30 June 2001 valuation (deprival)	-	63,101
less: accumulated depreciation	<u>-</u>	<u>(42,787)</u>
	<u>-</u>	<u>20,314</u>
at 1 July 2003 valuation (fair value)	96,161	-
less: accumulated depreciation	<u>(16,183)</u>	<u>-</u>
	<u>79,978</u>	<u>-</u>
Total leasehold improvements	<u>105,467</u>	<u>97,445</u>
Total land and buildings	<u>173,740</u>	<u>127,133</u>

	2003-04 \$'000	2002-03 \$'000
Note 9B - Infrastructure, plant and equipment		
at cost	37,563	64,879
less: accumulated depreciation	<u>(5,861)</u>	<u>(16,695)</u>
	<u>31,702</u>	<u>48,184</u>
 work in progress - at cost	 108	 7,875
 at 30 June 2002 valuation (deprival)	 -	 25,762
less: accumulated depreciation	<u>-</u>	<u>(14,635)</u>
	<u>-</u>	<u>11,127</u>
 at 1 July 2003 valuation (fair value)	 39,847	 -
less: accumulated depreciation	<u>(6,087)</u>	<u>-</u>
	<u>33,760</u>	<u>-</u>
 Total infrastructure, plant and equipment	 <u><u>65,570</u></u>	 <u><u>67,186</u></u>

Plant and equipment under finance lease is not subject to revaluation. The carrying amount is included in the 'at cost' figures above, and is disclosed separately in Table C, Note 9D.

All valuations are independent and are conducted in accordance with the revaluation policy stated at Note 1.12. Revaluations of all asset classes excluding intangibles were conducted during 2003-04.

A revaluation increment of \$24,943,038 was made to the asset revaluation reserve in 2003-04 in relation to the revaluation of land, buildings, and infrastructure, plant and equipment. This valuation was carried out by Mr Gregory Rowe and Mr Benjamin Player on behalf of PRP Valuers and Consultants as at 1 July 2003.

Note 9C - Intangibles

work in progress - at cost	2,544	4,739
 purchased software at cost	 6,530	 6,310
less: accumulated amortisation	<u>(4,208)</u>	<u>(3,278)</u>
	<u>2,322</u>	<u>3,032</u>
 internally developed software at cost	 106,075	 90,678
less: accumulated amortisation	<u>(63,872)</u>	<u>(45,802)</u>
	<u>42,203</u>	<u>44,876</u>
 Total intangibles	 <u><u>47,069</u></u>	 <u><u>52,647</u></u>

Note 9D - Analysis of property, plant, equipment and intangibles

Item	TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment and intangibles								Total
	Land	Buildings on Freehold Land	Buildings - Leasehold Improvements	Total land & buildings	Infrastructure, plant & equipment	Intangibles - computer software	Total	\$'000	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2003									
Gross book value	17,091	15,587	146,387	179,065	98,516	101,727	379,308		
Accumulated depreciation/amortisation	-	(2,990)	(48,942)	(51,932)	(31,330)	(49,080)	(132,342)		
Net book value	17,091	12,597	97,445	127,133	67,186	52,647	246,966		
Additions									
by purchase	186	78	18,613	18,877	10,972	13,430	43,279		
from acquisition of operations ¹	-	23,807	-	23,807	-	-	23,807		
Net revaluation increment/(decrement)	13,427	1,254	8,206	22,887	2,056	-	24,943		
Depreciation/amortisation expense	-	(1,173)	(16,749)	(17,922)	(12,209)	(19,000)	(49,131)		
Recoverable amount write-downs	-	-	-	-	-	-	-		
Disposals									
from disposal of operations	-	-	-	-	-	-	-		
other disposals	-	-	(1,262)	(1,262)	(884)	-	(2,146)		
Other movements									
Write back of assets previously expensed	-	-	220	220	1,013	-	1,233		
Other movements	-	1,006	(1,006)	-	(2,564)	(8)	(2,572)		
As at 30 June 2004									
Gross book value	30,704	38,752	122,218	191,674	77,518	115,149	384,341		
Accumulated depreciation/amortisation	-	(1,183)	(16,751)	(17,934)	(11,948)	(68,080)	(97,962)		
Net book value	30,704	37,569	105,467	173,740	65,570	47,069	286,379		

¹ Additions through acquisition of operations - due to administrative arrangements - net assets \$23,807,334.

TABLE B - Assets at valuation

Item	Land	Buildings on Freehold Land	Buildings - Leasehold Improvements	Total land & buildings	Infrastructure, plant & equipment	Intangibles - computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2004							
Gross value	30,518	38,674	96,161	165,353	39,847	-	205,200
Accumulated depreciation/amortisation	-	(1,180)	(16,183)	(17,363)	(6,087)	-	(23,450)
Net book value	30,518	37,494	79,978	147,990	33,760	-	181,750
As at 30 June 2003							
Gross value	17,070	2,520	63,781	83,371	25,762	-	109,133
Accumulated depreciation/amortisation	-	(886)	(43,467)	(44,353)	(14,635)	-	(58,988)
Net book value	17,070	1,634	20,314	39,018	11,127	-	50,145

TABLE C - Assets held under finance lease

Item	Land	Buildings on Freehold Land	Buildings - Leasehold Improvements	Total land & buildings	Infrastructure, plant & equipment	Intangibles - computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2004							
Gross value	-	-	-	-	23,456	-	23,456
Accumulated depreciation/amortisation	-	-	-	-	(4,956)	-	(4,956)
Net book value	-	-	-	-	18,500	-	18,500
As at 30 June 2003							
Gross value	-	-	-	-	32,060	-	32,060
Accumulated depreciation/amortisation	-	-	-	-	(13,121)	-	(13,121)
Net book value	-	-	-	-	18,939	-	18,939

TABLE D - Assets under construction									
Item	Land	Buildings on Freehold Land	Buildings - Leasehold Improvements	Total land & buildings	Infrastructure, plant & equipment	Intangibles - computer software	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
As at 30 June 2004									
Gross value	-	-	12,781	12,781	108	2,544	15,433		
As at 30 June 2003									
Gross value	-	-	8,454	8,454	7,875	4,739	21,068		

	2003-04 \$'000	2002-03 \$'000
Note 9E - Inventories		
finished goods (cost)	<u>70</u>	<u>254</u>
Total inventories held for sale	<u><u>70</u></u>	<u><u>254</u></u>

All departmental inventories are current assets.

Note 9F - Other non-financial assets

Prepayments	8,036	6,908
Property bonds	2,699	2,656
Education bonds	152	215
Leasehold rights	<u>113</u>	<u>-</u>
Total other non-financial assets	<u><u>11,000</u></u>	<u><u>9,779</u></u>

All other non-financial assets are current assets.

Note 10 - Interest Bearing Liabilities

Note 10A - Lease incentive liabilities

Lease incentive payments and rent free holidays received for new office fitout at Belconnen ACT, Sydney and Perth offices.

Lease incentive liabilities are represented by:

Current	724	701
Non-current	<u>7,613</u>	<u>8,013</u>
Total lease incentive liabilities	<u><u>8,337</u></u>	<u><u>8,714</u></u>

Note 10B - Leases

Finance lease commitments

Payable:

Within one year	6,932	4,898
In one to five years	<u>12,102</u>	<u>16,821</u>
Minimum lease payments	19,034	21,719
Deduct: future finance charges	<u>(1,894)</u>	<u>(2,780)</u>
Net lease liability	<u><u>17,140</u></u>	<u><u>18,939</u></u>

Lease liability is represented by:

Current	6,208	4,745
Non-current	<u>10,932</u>	<u>14,194</u>
Net lease liability	<u><u>17,140</u></u>	<u><u>18,939</u></u>

Finance leases exist in relation to certain IT and communications equipment assets. The leases are non-cancellable and for a fixed term of four years. The department guarantees the residual values of all assets leased. There are no contingent rentals.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<u>Note 11 - Provisions</u>	2003-04	2002-03
	\$'000	\$'000
Note 11A - Employee provisions		
Salaries and wages	8,329	5,792
Leave	86,162	81,306
Superannuation	1,597	936
Separation and redundancies	-	149
Locally engaged staff resignation benefits	<u>4,392</u>	<u>4,164</u>
Aggregate employee benefit liability and related on-costs	<u>100,480</u>	<u>92,347</u>
Current	33,918	29,558
Non-current	66,562	62,789

The UK Pension Scheme is disclosed in the most recent financial report of the plan as at 30 June 2002.¹

	Date Measured		Date Measured	
Accrued Benefits	30 June 2004	5,517	1 July 2003	5,251
Net Market Value of Plan Assets	30 June 2004	<u>5,092</u>	30 June 2002	<u>4,309</u>
Net Assets		<u>(425)</u>		<u>(942)</u>
Vested Benefits	30 June 2004	<u>4,928</u>	1 July 2003	<u>4,816</u>

The department's contribution to the scheme in 2003-04 was \$186,634 (2002-03: \$111,500).

The department's share of the net market value of plan assets is 24% of \$21,217,000 (2002-03: 21.94% of \$19,639,000).

¹ Figures for the UK Pension Scheme are based on an actuarial report dated 30 June 2003 (2002-03 figures based on actuarial report dated 26 March 2003).

The New Delhi Group Gratuity Scheme is disclosed in the most recent financial report of the plan as at 31 March 2004.²

	Date Measured		Date Measured	
Accrued Benefits	31 March 2004	34	31 March 2003	26
Net Market Value of Plan Assets	31 March 2004	<u>15</u>	31 March 2003	<u>8</u>
Net Assets		<u>(19)</u>		<u>(18)</u>
Vested Benefits	31 March 2004	<u>34</u>	31 March 2003	<u>26</u>

The department's share of the net market value of plan assets is 18% of the total value of the plan.

² Figures for the New Delhi Group Gratuity Scheme are based on an actuarial report dated 1 April 2004.

Note 11B - Other provisions

Other provisions	<u>500</u>	<u>500</u>
Total other provisions	<u>500</u>	<u>500</u>

Other provisions comprise provision for restoration to original condition for land leased on Nauru and are all non-current.

	2003-04 \$'000	2002-03 \$'000
Note 12 - Payables		
Note 12A - Supplier payables		
Trade creditors	74,685	79,020
Operating lease creditors	<u>12</u>	<u>558</u>
Total supplier payables	<u><u>74,697</u></u>	<u><u>79,578</u></u>
Supplier payables are represented by:		
Current	<u>74,697</u>	<u>79,578</u>
Total supplier payables	<u><u>74,697</u></u>	<u><u>79,578</u></u>
Settlement is usually made net 30 days.		
Note 12B - Other payables		
GST payable to the ATO	<u>235</u>	<u>16</u>
Total other payables	<u><u>235</u></u>	<u><u>16</u></u>
Other payables are all current.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 13A - Analysis of equity	Accumulated Results		Asset Revaluation Reserve		Other Reserves		Total Reserves		Contributed Equity		TOTAL EQUITY	
	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000
Item												
Opening balance as at 1 July	49,438	37,915	26,583	26,573		10	26,583	26,583	109,418	75,658	140,156	
Net surplus/deficit	(7,650)	26,940									26,940	
Net revaluation increments / (decrements)			24,943				24,943					24,943
Transactions with owner:												
Distributions to owner:												
Returns on Capital												
Dividends												
Capital Use Charge		(15,417)										(15,417)
Returns of Capital												
Restructuring												
Returns of contributed equity										(20,419)		(20,419)
Contributions by owner:										(2,695)		(2,695)
Appropriations (equity injections)												
Restructuring									14,520	27,478		27,478
Other										29,396		29,396
Transfers to/(from)/between reserves				10		(10)						
Closing balance as at 30 June	41,788	49,438	51,526	26,583	-	-	51,526	26,583	123,938	109,418	217,252	185,439

Note 13B - Restructuring

As a result of a restructuring of administrative arrangements, the department ceded responsibility for the construction of the permanent Immigration and Reception Processing Centre (IRPC) on Christmas Island on 18 February 2003 to the Department of Finance and Administration.

The net book value of assets transferred to the Department of Finance and Administration for no consideration and recognised as at the date of transfer were:

	2003-04	2002-03
	\$'000	\$'000
Total assets relinquished	-	20,419
Net assets relinquished	-	20,419

Note 14 - Cash Flow Reconciliation

Reconciliation of cash per *Statement of Financial Position* to *Statement of Cash Flows*

Cash at year end per <i>Statement of Cash Flows</i>	22,727	24,830
Statement of Financial Position items comprising above cash:		
Financial Asset - Cash	22,727	24,830

Reconciliation of net surplus / (deficit) to net cash from operating activities:

Net Surplus / (deficit)	(7,650)	26,940
Depreciation / amortisation	49,129	38,461
(Gain) / loss on sale of disposal of non-current assets	539	103
Write-down of assets	1,492	11,797
Assets recognised for the first time	(1,232)	(432)
Increase / (decrease) in net assets - transfers of assets	(23,807)	-
Interest earned	-	(1,090)

Change in assets and liabilities

Decrease / (increase) in receivables	17,468	(34,690)
Decrease / (increase) in accrued revenue	36	(13,492)
Decrease / (increase) in inventories	184	570
Decrease / (increase) in other non-financial assets	(1,221)	162
Decrease / (increase) in GST receivable	(2,838)	-
Increase / (decrease) in employee provisions	8,289	3,124
Increase / (decrease) in payables	(4,514)	(8,626)
Increase / (decrease) in lease liabilities	-	10,626
Net cash from / (used by) operating activities	<u>35,875</u>	<u>33,453</u>

Note 15 - Contingent Liabilities and Assets

Quantifiable contingencies

The Schedule of Contingencies reports net contingent liabilities in respect of claims for damages/costs of \$846,946 (2003: \$4,194,000). The amount represents an estimate of the department's liability based on precedent cases and disputed invoices with suppliers. The department is defending the claims.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Unquantifiable contingencies

As at 30 June 2004 the department had a number of legal claims against it. The department has denied liability and is defending the claims. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

Remote contingencies

As at 30 June 2004 the department had a number of legal claims against it. It is considered unlikely that the department will have to bear these costs. The net potential liability is \$1,420,665 (2003: \$1,010,000).

As at 30 June 2004 the department had also provided indemnities to a number of organisations. For eleven contracts where liability is limited, the potential liability is \$159,610,000 (2003: 5 contracts and \$119,760,000). Nine contracts provide for unlimited indemnities (2003: 7 contracts). It is considered unlikely that the department will have to bear any of these costs.

Note 16 - Executive Remuneration

	2003-04	2002-03
	Number	Number
The number of Executives who received or were due to receive total remuneration of \$100,000 or more:		
\$110,000 to \$119,999	-	2
\$120,000 to \$129,999	-	1
\$130,000 to \$139,999	-	3
\$140,000 to \$149,999	3	6
\$150,000 to \$159,999	5	11
\$160,000 to \$169,999	8	6
\$170,000 to \$179,999	9	4
\$180,000 to \$189,999	5	3
\$190,000 to \$199,999	7	3
\$200,000 to \$209,999	1	4
\$210,000 to \$219,999	2	1
\$220,000 to \$229,999	2	-
\$230,000 to \$239,999	2	-
\$240,000 to \$249,999	2	1
\$250,000 to \$259,999	1	1
\$300,000 to \$309,999	1	-
\$360,000 to \$369,999	-	1
\$420,000 to \$429,999	1	-
Total	49	47
	\$	\$
The aggregate amount of total remuneration of executives shown above.	9,682,996	8,057,114
The aggregate amount of separation and redundancy/termination payments during the year to executives shown above.	124,947	-

Note 17 - Remuneration of Auditors

Financial statement audit services are provided free of charge to the department. The fair value of the audit services provided was:

425,000	410,000
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No other services were provided by the Auditor-General.

Note 18 - Average Staffing Levels

The average staffing levels for the Department during the year were: 4,826 4,473

Note 19 - Financial instruments
Note 19A - Interest rate risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate				Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2003-04		2003-04		2003-04		2003-04		2003-04		2003-04	
		2002-03	2002-03	1 to 5 years	> 5 years	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	
Financial assets													
Cash at bank	8A							22,727	24,830	22,727	24,830	n/a	n/a
Appropriations receivable	8B							64,911	75,295	64,911	75,295	n/a	n/a
Receivables for goods and services	8B							23,002	17,084	23,002	17,084	n/a	n/a
less: Provision for doubtful debts	8B							(3,625)	(2,885)	(3,625)	(2,885)	n/a	n/a
Accrued revenue								14,177	14,213	14,177	14,213	n/a	n/a
Total financial assets								121,192	128,537	121,192	128,537		
Total assets								418,641	385,536	418,641	385,536		

Financial liabilities													
Financial liabilities	Notes	2003-04		2003-04		2003-04		2003-04		2003-04		2003-04	
		2002-03	2002-03	1 to 5 years	> 5 years	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	2002-03	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
Finance lease liabilities	10B	6,208	4,745	10,932	14,194					17,140	18,939	6.15%	5.95%
Operating lease creditors	12							12	558	12	558	n/a	n/a
Trade creditors	12							74,685	79,020	74,685	79,020	n/a	n/a
Total financial liabilities (recognised)		6,208	4,745	10,932	14,194			74,697	79,578	91,837	98,517		
Total liabilities								201,389	200,094	201,389	200,094		
Unrecognised indemnities	15							159,610	119,760	159,610	119,760	n/a	n/a

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 19B - Net fair values of financial assets and liabilities

	Notes	2003-04		2002-03	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
Departmental		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash at bank	8A	22,727	22,727	24,830	24,830
Receivables for goods and services (net)	8B	19,377	19,377	14,199	14,199
Accrued revenue		14,177	14,177	14,213	14,213
Appropriations receivable	8B	64,911	64,911	75,295	75,295
Total financial assets		121,192	121,192	128,537	128,537
Financial liabilities (recognised)					
Finance lease liabilities	10B	17,140	17,140	18,939	18,939
Operating lease creditors	12	12	12	558	558
Trade creditors	12	74,685	74,685	79,020	79,020
Total financial liabilities (recognised)		91,837	91,837	98,517	98,517
Financial liabilities (unrecognised)					
Indemnities	15	159,610	-	119,760	-

Financial assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values of finance lease liabilities are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for trade creditors are short-term in nature, and are approximated by their carrying amounts.

Indemnities

At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and recognition of the liability was therefore not required. The net fair value of the indemnities given is taken to be nil as the likelihood of any of them being called upon is regarded as remote.

Note 19C - Credit risk exposures

The department's maximum exposures to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

The department has no significant exposures to any concentrations of credit risk.

	2003-04	2002-03
Note 20 - Revenues Administered on Behalf of Government	\$'000	\$'000
Revenues		
Non-taxation fees and charges		
Visa application charges	386,944	273,849
Citizenship charges	10,749	9,624
Other non-taxation fees and charges	6,495	9,599
Total non-taxation fees and charges	404,188	293,072
Fines		
Immigration fines	5,292	7,898
Total fines	5,292	7,898
Sales of goods and services		
Adult Migrant English Program	8,931	7,254
OAA Accommodation Program	395	504
Total sales of goods and services	9,326	7,758
Recovery of detention costs		
Recovery of detention costs	67,305	84,710
Total recovery of detention costs	67,305	84,710
Other sources of non-taxation revenue		
Other sources of non-taxation revenue	4,340	3,717
Total other sources of non-taxation revenue	4,340	3,717
Total revenues administered on behalf of government	490,451	397,155
Note 21 - Expenses Administered on Behalf of Government		
Expenses		
Grants		
Grants to non-profit institutions	28,735	28,406
Total grants	28,735	28,406
<i>The nature of the grants are as follows:</i>		
Community based programs	28,735	28,406
Total	28,735	28,406
Subsidies		
Subsidies to NAATI, IOM, IGC and joint Commonwealth and State research programs	1,435	1,290
Total subsidies	1,435	1,290
Personal benefits		
Direct	7,456	2,516
Indirect	4,396	9,502
State payment - refugee minors	839	1,108
Total personal benefits	12,691	13,126

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

	2003-04 \$'000	2002-03 \$'000
Suppliers		
Adult Migrant English Program	98,791	96,058
Legal costs for Indigenous affairs and reconciliation	2,742	1,503
Migration Agents' payments	3,241	2,704
Refugee maintenance, accommodation & humanitarian expense	<u>58,452</u>	<u>5,255</u>
Total suppliers	<u>163,226</u>	<u>105,520</u>
Write-down and impairment of assets		
Financial assets		
Receivables	58,527	88,789
Waived Debts	<u>3,972</u>	<u>1,304</u>
Total write-down of assets	<u>62,499</u>	<u>90,093</u>
Other	<u>-</u>	<u>9</u>
Total other expenses	<u>-</u>	<u>9</u>
Total expenses administered on behalf of government	<u>268,586</u>	<u>238,444</u>
Note 22 - Assets Administered on Behalf of Government		
Financial assets		
Cash		
Administered bank account - DIMIA	<u>3,426</u>	<u>1,180</u>
Receivables		
Immigration fees and charges	761	1,492
Goods and services	924	646
less: provision for doubtful debts	(176)	(252)
Detainee debts	15,707	9,060
less: provision for detainee doubtful debts	(15,707)	(9,060)
GST accrued receivable	8,114	629
GST receivable from ATO	<u>2,918</u>	<u>995</u>
Total receivables (net)	<u>12,541</u>	<u>3,510</u>
Receivables (gross) are aged as follows:		
Not overdue	17,976	4,299
Overdue by:		
less than 30 days	2,351	1,358
30 to 60 days	3,289	2,467
60 to 90 days	2,236	224
more than 90 days	<u>2,572</u>	<u>4,474</u>
Total receivables (gross)	<u>28,424</u>	<u>12,822</u>
The provision for doubtful debts is aged as follows:		
Not overdue	10,045	3,122
Overdue by:		
less than 30 days	1,314	986
30 to 60 days	1,838	1,792
60 to 90 days	1,249	163
more than 90 days	<u>1,437</u>	<u>3,249</u>
Total provision for doubtful debts	<u>15,883</u>	<u>9,312</u>

	2003-04 \$'000	2002-03 \$'000
Accrued revenues		
Accrued revenue	96,933	67,757
Provision for unrecoverable accrued revenue	<u>(84,838)</u>	<u>(62,409)</u>
Total accrued revenues	<u>12,095</u>	<u>5,348</u>
Investments		
Commonwealth Authorities		
- Aboriginal and Torres Strait Islander Commission	292,894	292,894
- Aboriginal Hostels Ltd	40,104	40,092
- Anindilyakwa Land Council	159	159
- Australian Institute of Aboriginal and Torres Strait Islander Studies	2,557	2,554
- Central Land Council	5,074	5,074
- Indigenous Business Australia	50,767	50,767
- Indigenous Land Corporation	72,696	72,696
- Northern Land Council	851	851
- Tiwi Land Council	(47)	(47)
- Torres Strait Regional Authority	<u>15,903</u>	<u>15,894</u>
Total investments	<u>480,958</u>	<u>480,934</u>
Total financial assets administered on behalf of government	<u>509,020</u>	<u>490,972</u>
Other non-financial assets		
Prepayments	<u>9,319</u>	<u>5,538</u>
Total non-financial assets administered on behalf of government	<u>9,319</u>	<u>5,538</u>
Total assets administered on behalf of government	<u>518,339</u>	<u>496,510</u>
Note 23 - Liabilities Administered on Behalf of Government		
Payables		
Suppliers		
Trade Creditors	<u>16,428</u>	<u>17,256</u>
Other		
GST payable	6,885	3,089
GST accrued payable	7,656	5,543
Unearned income	<u>6,850</u>	<u>6,110</u>
Total other payables	<u>21,391</u>	<u>14,742</u>
Total payables	<u>37,819</u>	<u>31,998</u>
Total liabilities administered on behalf of government	<u>37,819</u>	<u>31,998</u>
All liabilities are expected to be settled within 12 months of balance date.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 24 - Administered Reconciliation Table	2003-04	2002-03
	\$'000	\$'000
Opening administered assets less administered liabilities as at 1 July	464,512	470,155
Plus administered revenues	490,451	397,155
Less administered expenses	(268,586)	(238,444)
Administered transfers to / from Australian Government		
Appropriation transfers from OPA	219,688	161,438
Transfers to OPA	(422,232)	(325,075)
Movement in carrying amount of investment	24	-
GST drawn down and payable to OPA	(3,337)	(717)
Opening administered assets less administered liabilities as at 30 June	<u>480,520</u>	<u>464,512</u>

Note 25 - Administered Contingent Liabilities and Assets

Quantifiable Administered Contingencies

Quantifiable Administered Contingencies that are not remote are disclosed in the Schedule of Administered Items as Quantifiable Administered Contingencies.

Unquantifiable Administered Contingencies

Earlier laws, policies and practices in relation to the Commonwealth's administration of the Northern Territory led to the separation of some Indigenous children from their families. There are currently over 2,000 plaintiffs with claims pending against the Commonwealth seeking unspecified damages for alleged forcible and wrongful separation. One individual has chosen to progress their claim, which is currently being prepared for trial.

The department has administrative responsibility for a range of other litigation relating to indigenous matters, which arise from time to time.

Remote Contingencies

As at 30 June 2004 the department had two legal claims against it relating to Administered activities where the probability of a contingent asset arising was remote. The net quantifiable contingent gain is \$20,665 (2003:\$0).

Note 26 - Administered Investments

The Commonwealth owns 100% of the issued capital of Aboriginal Hostels Ltd which is incorporated in Australia.

The principal activities of each of the department's administered investments are as follows:

- *Aboriginal and Torres Strait Islander Commission*: the economic, social and cultural empowerment of Aboriginal and Torres Strait Islander peoples in order that they may freely exercise their rights equitably with other Australians.
- *Aboriginal Hostels*: provide temporary accommodation that assists Aboriginal and Torres Strait Islander people to achieve personal goals to obtain dignity and equity in the Australian community.
- *Anindilyakwa Land Council*: to represent the Aboriginal peoples living in the area of the Land Council in the management of Aboriginal land in the area and in relation to legislation concerning that land; consult and protect the interests of traditional owners and take measures to assist in the protection of sacred sites in the area of the Land Council.
- *Australian Institute of Aboriginal and Torres Strait Islander Studies*: promotion of knowledge and understanding of Australian Indigenous cultures, past and present.
- *Central Land Council*: to represent the Aboriginal peoples living in the area of the Land Council in the management of Aboriginal land in the area and in relation to legislation concerning that land; consult and protect the interests of traditional owners and take measures to assist in the protection of sacred sites in the area of the Land Council.
- *Indigenous Business Australia*: stimulate the economic advancement of Aboriginal and Torres Strait Islander peoples by investing in sound commercial ventures and encouraging and supporting Indigenous participation.
- *Indigenous Land Corporation*: provide economic, environmental, social and cultural benefits for Aboriginal persons and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous Land base.
- *Northern Land Council*: to represent the Aboriginal peoples living in the area of the Land Council in the management of Aboriginal land in the area and in relation to legislation concerning that land; consult and protect the interests of traditional owners and take measures to assist in the protection of sacred sites in the area of the Land Council.
- *Tiwi Land Council*: to represent the Aboriginal peoples living in the area of the Land Council in the management of Aboriginal land in the area and in relation to legislation concerning that land; consult and protect the interests of traditional owners and take measures to assist in the protection of sacred sites in the area of the Land Council.
- *Torres Strait Regional Authority*: stimulate the economic advancement of Aboriginal and Torres Strait Islander peoples by investing in sound commercial ventures and encouraging and supporting Indigenous participation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Note 27 - Administered financial instruments

Note 27A - Interest rate risk

Financial instrument	Notes	Floating Interest Rate		Fixed Interest Rate			Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2003-04	2002-03	1 year or less	1 to 2 years	> 5 years	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Financial assets												
Cash at bank	22							3,426	1,180	3,426	1,180	n/a
Goods and services receivable	22							748	394	748	394	n/a
Fees receivable	22							761	1,492	761	1,492	n/a
Accrued revenue	22							12,095	5,348	12,095	5,348	n/a
Other								11,032	1,624	11,032	1,624	n/a
Total								28,062	10,038	28,062	10,038	
Total assets								518,339	496,510			
Financial liabilities												
Trade creditors	23							16,428	17,256	16,428	17,256	n/a
Other	23							14,541	8,631	14,541	8,631	n/a
Total								30,969	25,887	30,969	25,887	
Total liabilities								37,819	31,998			

Note 27 - Administered financial instruments

Note 27B - Net fair values of administered financial assets and liabilities

	Notes	2003-04		2002-03	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash at bank	22	3,426	3,426	1,180	1,180
Receivables	22	12,541	12,541	3,510	3,510
Accrued revenue	22	12,095	12,095	5,348	5,348
Total financial assets		28,062	28,062	10,038	10,038
Financial liabilities					
Trade creditors	23	16,428	16,428	17,256	17,256
Other	23	14,541	14,541	8,631	8,631
Total financial liabilities		30,969	30,969	25,887	25,887

Financial assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values for trade creditors are short term in nature and are approximated by their carrying amounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 28A - Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (Appropriations) from Acts 1, 3 and 5

Particulars	Administered Expenses			Departmental Outputs	Total
	Outcome 1	Outcome 2	Outcome 3		
Year ended 30 June 2004					
Balance carried from previous year	\$ 2,761,120	\$ 21,138,424	\$ -	\$ 235,098,726	\$ 258,998,270
Adjustments to opening balances - corrections to prior year note balance brought forward	(3,097,159)	(4,833,705)	159		(7,930,705)
Add: Estimated administered appropriations to be lapsed in 02-03 ¹	10,449,558	1,550,909			12,000,467
Adjusted balance carried from previous period	10,113,519	17,855,628	159	235,098,726	263,068,032
Appropriation Act (No.1) 2003-04 - basic appropriation	129,285,000	144,862,000	5,554,000	781,448,000	1,061,149,000
Appropriation Act (No.3) 2003-04 - basic appropriation		765,000	15,000,000	5,804,000	6,569,000
Appropriation Act (No.5) 2003-04 - basic appropriation					15,000,000
Adjustments determined by the Finance Minister					
Advance to the Finance Minister				281,015	281,015
Amounts from Comcover receipts (FMA Act s12)					
Refunds credited (FMA Act s30)					
Appropriations to take account of recoverable GST (FMA Act s30A)	2,103,016	5,041,094	716,769	36,363,499	44,224,378
Annotations to 'net appropriations' (FMA Act s31)				24,903,985	24,903,985
Less: Adjustment for actual administered appropriations lapsed for 02-03 ¹	(12,349,677)	(10,254,759)	(29,941)	(2,000,000)	(22,634,377)
Adjustment of appropriations on change of entity function (FMA Act s32)					(2,000,000)
Appropriation for repayments required by law (FMA Act s28)					
Total appropriation available for payments	129,151,858	158,268,963	21,240,987	1,081,899,225	1,390,561,033
Payments made (GST inclusive)	(60,046,224)	(144,597,701)	(20,274,440)	(831,910,528)	(1,056,828,893)
Appropriations credited to Special Accounts					
Balance carried to next year	69,105,634	13,671,262	966,547	249,988,697	333,732,140
<i>Represented by:</i>					
Cash	916,458	2,196,822	312,355	9,147,162	12,572,797
Add: Appropriations not drawn from the OPA	2,149,377	904,010	(171,933)	64,910,711	67,932,165
Add: Receivables - GST receivable from customers	2,170,746	5,203,447	739,853	4,431,598	12,545,644
Add: Receivables - GST receivable from the ATO	780,598	1,871,155	266,050	7,377,240	10,295,043
Add: Available but not to be drawn (previous year appropriation to be lapsed)				131,703,856	131,703,856
Add: Available but not to be drawn (current year appropriation to be lapsed)	70,393,568	17,991,766	1,295,866	36,351,772	126,032,972
Add: Adjustments to opening balances - corrections to prior year note balance brought forward	(2,975,536)	(4,117,605)	(149,793)	(3,698,822)	(7,093,141)
Less: Payable - Suppliers - GST portion	(439,497)	(1,053,509)	(149,793)		(5,341,621)
Less: Other payables - GST payable to the OPA	(2,048,205)	(4,909,707)	(698,087)		(7,655,999)
Less: Other payables - GST payable to the ATO	(1,841,875)	(4,415,117)	(627,764)	(234,820)	(7,119,576)
Total	69,105,634	13,671,262	966,547	249,988,697	333,732,140
<i>Reconciliation for Appropriation Acts (Nos. 1, 3 and 5)</i>					
Paid to the entity from the OPA	56,742,055	126,731,224	19,430,067	683,989,517	886,892,863
Add: Finance Minister reduction of Appropriations in the current year					
Add: Administered Appropriation lapsed in current year	72,542,945	18,895,776	1,123,933	101,262,483	193,825,137
Not drawn from the OPA					
Total Appropriation Acts	129,285,000	145,627,000	20,554,000	785,252,000	1,080,718,000

Note 28A (continued)

Particulars	Administered Expenses			Departmental Outputs	Total
	Outcome 1	Outcome 2	Outcome 3		
Year ended 30 June 2003					
Balance carried from previous year			\$ 371,897	\$ 103,537,770	\$ 130,948,787
Add: Previous years appropriations to be lapsed	3,351,957	23,677,153			148,798
Total annual appropriation - basic appropriations	(274,824)	423,622	1,000,000	875,887,000	1,041,303,000
Adjustments and annotations to appropriations	29,153,000	135,263,000	532,427	7,198,757	72,519,944
Annotations to 'net appropriations': (FMA Act s31)				25,233,000	25,233,000
Transfers to/from other agencies (FMA Act s32)				(652,587)	(652,587)
Amounts from Comcover receipts (FMA Act s2)				1,208	1,208
GST credits (FMA Act s30A)	7,77,759	5,155,127	71,828	41,109,970	47,054,684
Estimated administered appropriations to be lapsed ¹	(10,449,558)	(1,550,909)			(12,000,467)
Total appropriation available for payments	22,508,344	162,967,993	1,976,152	1,117,103,878	1,304,556,367
Payments made	19,747,224	141,829,569	1,976,152	882,005,152	1,045,558,097
Appropriations credited to Special Accounts					
Balance carried to the next year	2,761,120	21,138,424		235,098,726	258,998,270
<i>Represented by:</i>					
Cash				24,829,675	24,829,675
Add: Appropriations not drawn from the OPA	1,707,129	13,601,313		29,495,416	44,803,858
Add: Receivables - Goods and Services - GST from customers	1,053,991	7,537,111		8,436,825	17,027,927
Add: Available but not to be drawn				149,108,440	149,108,440
Add: Receivables - GST receivable from the ATO				28,395,000	28,395,000
Less: Savings offered				(5,166,630)	(5,166,630)
Less: Payable - Suppliers - GST portion					
Total	2,761,120	21,138,424		235,098,726	258,998,270

FMA = Financial Management and Accountability Act 1997
 Act 1 = Appropriations Act (No. 1) 2003-04
 Act 3 = Appropriations Act (No. 3) 2003-04
 Act 5 = Appropriations Act (no. 5) 2003-04

Notes:

1. The Finance Minister may determine amounts of administered appropriations to be lapsed having regard to expenses incurred. In prior years, DIMIA has estimated the amount of current year appropriations to be lapsed based on expenses incurred. From 2003-04, The Finance Minister's Orders require the reporting of amounts actually lapsed during the financial year. No determination to lapse administered appropriations had been made at the time of completion of the 2003-04 financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 28B - Appropriations Acts (No 2/4) 2003-04

Particulars	Administered Expenses			Non-operating				Total
	Outcome 1	Outcome 2	Outcome 3	Equity	Loans	Previous years' outputs	Admin assets and liabilities	
	SPPs	NAE	SPPs					
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2004								
Balance carried from previous year		529,257		12,079,240				12,608,497
Add: Estimated administered appropriations to be lapsed in 02-03 ¹								
Adjusted balance carried from previous period		529,257		12,079,240				12,608,497
Appropriation Act (No.2) 2003-04		1,823,000		13,236,000				15,059,000
Appropriation Act (No.4) 2003-04				1,284,000				1,284,000
Adjustments determined by the Finance Minister								
Advance to the Finance Minister								
Refunds credited (FMA Act s30)								
GST credits (FMA Act s30A)								
Annotations to 'net appropriations' (FMA Act s31)		72,121		441,900				514,021
Transfer to/from other agencies (FMA Act s32)								
Less: Adjustment for actual administered appropriations lapsed for 02-03 ¹								
Appropriation for repayments required by law. (FMA Act s28)		(31,036)						(31,036)
Total appropriation available for payments		2,393,342		27,041,140				29,434,482
Payments made (GST inclusive)		(906,280)		(7,244,472)				(8,150,752)
Appropriations credited to Special Accounts								
Balance carried to next year		1,487,062		19,796,668				21,283,730
Represented by:								
Cash								
Add: Appropriations not drawn from the OPA		503,207		19,671,668				20,174,875
Add: Available but not to be drawn (previous year appropriation lapsed)				125,000				125,000
Add: Available but not to be drawn (current year appropriation to be lapsed)		983,855						983,855
Total		1,487,062		19,796,668				21,283,730
Reconciliation for Appropriation Acts (Nos. 2 and 4)								
Paid to the entity from the OPA								
Add: Finance Minister reduction of Appropriations in the current year		335,938		4,419,332				4,755,270
Add: Administered Appropriation lapsed in current year								
Not drawn from the OPA		1,487,062		10,100,668				11,587,730
Total Appropriation Acts		1,823,000		14,520,000				16,343,000

Note 28B (continued)

Particulars	Administered Expenses			Non-operating				Total
	Outcome 1	Outcome 2	Outcome 3	Loans	Equity	Previous years' outputs	Admin assets and liabilities	
	SPPs	NAE	SPPs					
	\$	\$	\$	\$	\$	\$	\$	
Year ended 30 June 2003								
Balance carried from previous year					9,811,622			9,892,875
Total annual appropriation	81,253				86,898,000			88,037,000
Adjustments and annotations to appropriations	1,139,000				2,383,240			2,448,297
Transfers to/from other agencies (FMA Act s32)	65,057				(61,670,774)			(61,670,774)
Administered appropriation lapsed	(12,383)							(12,383)
Total appropriation available for payments	1,272,927				37,422,088			38,695,015
Payments made during the year	(743,670)				(25,342,848)			(26,086,518)
Appropriations credited to Special Accounts								
Balance carried to the next year	529,257				12,079,240			12,608,497
<i>Represented by:</i>								
Cash								
Add: Appropriations not drawn from the OPA								
Add: Receivables - Goods and Services - GST from customers	488,433				9,571,000			10,059,433
Add: Available but not to be drawn								
Add: Receivables - GST receivable from the ATO					125,000			125,000
Less: Savings offered								
Less: Payable - Suppliers - GST portion	40,824				2,383,240			2,424,064
Total	529,257				12,079,240			12,608,497

FMA = Financial Management and Accountability Act 1997
 Act 2 = Appropriations Act (No.2) 2003-04
 Act 4 = Appropriations Act (No.4) 2003-04

Notes:

1. The Finance Minister may determine amounts of administered appropriations to be lapsed having regard to expenses incurred. In prior years, DIMIA has estimated the amount of current year appropriations to be lapsed based on expenses incurred. From 2003-04, The Finance Minister's Orders require the reporting of amounts actually lapsed during the financial year. No determination to lapse administered appropriations had been made at the time of completion of the 2003-04 financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Note 28C - Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Unlimited Amount)

	2003-04	2002-03
	Outcome 1	
	\$	\$
<i>Legislation: Migration Act 1958 - section 332B (Administered)</i>		
<i>Purpose: to deal with registration applications and monitor the conduct of registered agents and lawyers in the provision of immigration assistance.</i>		
<i>Statutory Self-regulation of Migration Agents</i>		
Budget estimate	4,000,000	2,281,000
Other annotations	-	684,000
Available for payments	4,000,000	2,965,000
Payments made	(3,180,332)	(2,841,300)
Appropriations credited to Special Accounts	-	-
Refunds credited (s30)	-	-

<i>Legislation: Financial Management and Accountability Act 1997 - section 28A (Administered)</i>		
<i>Purpose: to provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and no specific appropriation for the repayment.</i>		
<i>Refund of Immigration fees and fines</i>		
Budget estimate	-	-
Other annotations	-	-
Available for payments	-	-
Payments made	(3,372,659)	(2,351,643)
Appropriations credited to Special Accounts	-	-
Refunds credited (s30)	-	-

Note 28D - Special Accounts

	2003-04	2002-03
	\$	\$
Australian Population, Multicultural and Immigration Research Program Account		
<i>Legal authority: Financial Management and Accountability Act 1997, s20</i>		
<i>Purpose:</i>		
(a) for expenditure relating to the Joint Research Program on population and immigration in accordance with approval from the Minister for Immigration and Multicultural and Indigenous Affairs in consultation with State/Northern Territory Ministers; and (b) for the disbursement to the Commonwealth and participating State/Northern Territory Governments of moneys, if any, standing to the credit of the trust account after the research program has been wound up.		
Balance carried from previous year	277,428	217,083
Appropriations for reporting period	50,000	50,000
Costs recovered from non-government sector	50,000	50,000
Available for payments	377,428	317,083
Payments made to suppliers	(76,698)	(39,655)
Balance carried to next year	300,730	277,428
<i>Represented by:</i>		
Cash on call held in the OPA	300,730	277,428
Total	300,730	277,428

	2003-04	2002-03
	\$	\$
Other Trust Monies Account		
<i>Legal authority: Financial Management and Accountability Act 1997, s20</i>		
<i>Purpose: for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.</i>		
Balance carried forward from previous period	28,512,419	20,728,523
Receipts from other sources	82,621,309	63,899,387
Available for payments	111,133,728	84,627,910
Payments made	(76,447,251)	(56,115,491)
Balance carried forward to next period	34,686,477	28,512,419
<i>Represented by:</i>		
Cash on call held in the OPA	34,686,477	28,512,419
Total	34,686,477	28,512,419

The Department has a Services for other Governments & Non-Agency Bodies Account. This account was established under s20 of the *Financial Management and Accountability Act 1997*. For the years ended 30 June 2002-04 the account had a nil balance and there were no transactions debited or credited to it.

The purpose of the Services for other Governments & Non-Agency Bodies Special Account is for expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA agencies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

<u>Note 29 - Specific Payment Disclosures</u>	2003-04	2002-03
	\$	\$
29A - Departmental specific payments		
Act of grace payments		
No act of grace payments were made during the reporting period. (2003: Nil payments made)	-	-
	<u> </u>	<u> </u>
Waivers made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i>		
No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . The departmental amount requested and approved to 30 June 2004 was nil. (2003: One waiver made for Afghani returnees of \$8,600,000. The amount requested to 30 June 2003 was \$16,506.)	-	-
	<u> </u>	<u> </u>
Payments made under the Defective Administration Scheme		
Six payments were made under the 'Defective Administration Scheme' during the reporting period. (2003: Three payments made)	1,544	7,146
	<u> </u>	<u> </u>
	<u>1,544</u>	<u>7,146</u>
Payments made under s73 of the <i>Public Service Act 1999</i>		
No payments were made under s73 of the <i>Public Service Act 1999</i> during the reporting period. (2003: Nil payments made)	-	-
	<u> </u>	<u> </u>

29B - Administered specific payments	2003-04	2002-03
	\$	\$
Act of grace payments		
Two act of grace payments were made during the reporting period. (2003: No payments made)	3,828	-
	<u><u>3,828</u></u>	<u><u>-</u></u>
Waivers made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i>		
Afghani Reintegration Package ¹	-	8,600,000
Iranian Reintegration Package ²	17,901,850	-
East Timorese Reintegration Package ³	3,050,000	-
Other ⁴	933,619	3,170
	<u><u>21,885,469</u></u>	<u><u>8,603,170</u></u>
1. The debt waiver approved for Afghani returnees was \$8,600,000. The amount requested and approved to 30 June 2004 was \$1,426,391 consisting of 32 individual applicants. The amount requested to 30 June 2003 was \$1,417,881 consisting of 47 individual applicants.		
2. The debt waiver approved for Iranian returnees was \$17,901,850. The amount requested and approved to 30 June 2004 was \$1,612,590 consisting of 25 individual applicants.		
3. The debt waiver approved for East Timorese returnees was \$3,050,000 to 30 June 2004. No amount had been requested against this package.		
4. For the financial year ended 30 June 2004 debts waived consisted of Bushfire Victims Citizenship Certificates (\$1,760 requested to 30 June 2004, consisting of 26 waivers at \$55 each), and detention costs for six applicants (\$931,859). For the year to 30 June 2003, Bushfire Victims citizenship certificates \$1,980 requested consisting of 36 waivers at \$55 each and detention costs for one applicant (\$420) were requested and approved.		
Ex-gratia payments		
No ex-gratia payments were made during the reporting period. (2003: No payments made)	-	-
	<u><u>-</u></u>	<u><u>-</u></u>
Payments made under the Defective Administration Scheme		
No Payments were made under the 'Defective Administration Scheme' during the reporting period. (2003: No payments made)	-	-
	<u><u>-</u></u>	<u><u>-</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The Department uses an Activity Based Costing System to determine the attribution of its shared items. The system was based on a time and motion study for corporate activities conducted in the year 2002-03 for the 2003-04 Budget. The basis of attribution in the above table is consistent with the basis used for the 2003-04 Budget.

Note 30A - Net cost of Outcome Delivery

	Outcome 1		Outcome 2		Outcome 3		Total	
	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Expenses	118,873	110,044	130,917	126,898	18,799	1,502	268,589	238,444
Departmental Expenses	696,625	705,286	116,756	114,335	6,085	3,387	819,466	823,008
Total Expenses	815,498	815,330	247,673	241,233	24,884	4,889	1,088,055	1,061,452
<i>Costs recovered from provision of goods and services to the non-government sector</i>								
Administered								
Non-taxation fees and charges	388,882	286,310	15,117	12,938	189	1,722	404,188	300,970
Sales of goods and services	395	504	8,935	7,254	-	-	9,330	7,758
Other non-taxation revenues	76,923	88,393	13	31	-	3	76,936	88,427
Departmental								
Sales of goods and services	16,889	10,407	12,835	9,280	1	8	29,725	19,695
Other revenues from independent sources	5,600	3,376	666	594	41	16	6,307	3,986
Total Costs Recovered	488,689	388,990	37,566	30,097	231	1,749	526,486	420,836
<i>Other external revenues</i>								
Administered	-	-	-	-	-	-	-	-
Departmental	1,131	2,084	165	2,449	9	5	1,305	4,538
Sales of goods and services from related entities	24,292	14,717	26	149	2	4	24,320	14,870
Other revenues from related entities	25,423	16,801	191	2,598	11	9	25,625	19,408
Total other external revenues	301,386	409,539	209,916	208,538	24,642	3,131	535,944	621,208
Net cost/(contribution) of outcome								

Outcomes 1, 2 and 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

Note 30B - Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs

Outcome 1	Output Group 1.1									
	Output 1.1.1		Output 1.1.2		Output 1.1.3		Output 1.1.4		Output 1.1.4	
	2003-04 \$'000	2002-03 \$'000								
Departmental expenses										
Employees	24,673	17,226	38,880	19,254	1,124	409	30,637	19,611		
Suppliers	14,265	26,492	25,958	29,611	714	630	30,902	30,160		
Depreciation and amortisation	2,387	2,429	4,051	2,715	99	58	3,979	2,766		
Other expenses	148	881	486	985	6	21	470	1,003		
Total departmental expenses	41,473	47,028	69,375	52,565	1,943	1,118	65,988	53,540		
Funded by:										
Revenues from government	31,469	45,849	56,794	50,557	1,423	1,101	60,493	52,630		
Sales of goods and services	1,600	849	919	1,529	4	5	1,070	455		
Other non-taxation revenues	290	219	558	383	12	10	658	349		
Total departmental revenues	33,359	46,917	58,271	52,469	1,439	1,116	62,221	53,434		

Outcome 1	Output Group 1.1									
	Output 1.1.5		Output 1.1.6		Output 1.1.7		Total		Total	
	2003-04 \$'000	2002-03 \$'000								
Departmental expenses										
Employees	24,020	12,642	26,566	8,868	4,953	2,705	150,853	80,715		
Suppliers	21,522	19,442	16,713	13,637	3,514	4,161	113,588	124,133		
Depreciation and amortisation	2,849	1,783	2,529	1,251	558	382	16,452	11,384		
Other expenses	208	646	189	453	45	138	1,552	4,127		
Total departmental expenses	48,599	34,513	45,997	24,209	9,070	7,386	282,445	220,359		
Funded by:										
Revenues from government	41,963	33,837	38,698	23,514	7,780	7,176	238,620	214,664		
Sales of goods and services	626	351	485	305	345	146	5,049	3,640		
Other non-taxation revenues	405	266	512	358	71	50	2,506	1,635		
Total departmental revenues	42,994	34,454	39,695	24,177	8,196	7,372	246,175	219,939		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Note 30B (continued)

Outcome 1	Output Group 1.2					
	Output 1.2.1		Output 1.2.2		Total	
	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses						
Employees	10,738	3,534	18,591	9,577	29,329	13,111
Suppliers	7,124	5,434	9,673	14,729	16,797	20,163
Depreciation and amortisation	779	498	1,142	1,350	1,921	1,848
Other	60	181	80	490	140	671
Total departmental expenses	18,701	9,647	29,486	26,146	48,187	35,793
Funded by:						
Revenues from government	19,027	9,453	33,811	25,487	52,838	34,940
Sales of goods and services	39	101	50	355	89	456
Other non-taxation revenues	142	77	200	274	342	351
Total departmental revenues	19,208	9,631	34,061	26,116	53,269	35,747

Note 30B (continued)

Outcome 1	Output Group 1.3							
	Output 1.3.1		Output 1.3.2		Output 1.3.3		Output 1.3.4	
	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000
Departmental expenses								
Employees	18,003	13,317	20,730	18,337	14,455	14,126	14,569	18,507
Suppliers	32,799	20,481	19,781	28,202	11,976	21,724	12,124	28,462
Depreciation and amortisation	3,825	1,878	2,232	2,586	1,572	1,992	1,220	2,610
Other	94	681	112	938	64	722	53	946
Total departmental expenses	54,721	36,357	42,855	50,063	28,067	38,564	27,966	50,525
Funded by:								
Revenues from government	48,264	35,824	61,317	49,096	26,947	38,094	30,335	49,948
Sales of goods and services	1,828	254	2,534	501	1,010	208	1,124	253
Other non-taxation revenues	412	198	550	380	230	168	260	194
Total departmental revenues	50,504	36,276	64,401	49,977	28,187	38,470	31,719	50,395

Outcome 1	Output Group 1.3					
	Output 1.3.5		Output 1.3.6		Total	
	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000
Departmental expenses						
Employees	15,004	50,425	4,674	21,075	87,435	135,787
Suppliers	120,208	77,550	30,622	10,511	227,510	186,930
Depreciation and amortisation	12,906	14,382	318	2,972	22,073	26,420
Other	1,141	5,180	4,739	1,078	6,203	9,545
Total departmental expenses	149,259	147,537	40,353	35,636	343,221	358,682
Funded by:						
Revenues from government	126,302	135,234	26,514	52,083	319,679	360,279
Sales of goods and services	5,421	1,221	965	5,125	12,882	7,562
Other non-taxation revenues	1,559	14,820	226	169	3,237	15,929
Total departmental revenues	133,282	151,275	27,705	57,377	355,798	383,770

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 30B (continued)

Outcome 1	Output Group 1.4			Output Group 1.5				Outcome 1	
	Total			Output 1.5.1		Output 1.5.2		Total	
	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000
Departmental expenses									
Employees	223	158	1,793	4,589	492	1,028	5,617	270,125	235,388
Suppliers	116	64	8,412	74,038	10,724	10,207	84,245	377,147	415,535
Depreciation and amortisation	1	-	24	17	946	319	336	41,417	39,988
Other	-	-	41	31	-	1	32	7,936	14,375
Total departmental expenses	340	222	10,270	78,675	12,162	11,555	90,230	696,625	705,286
Funded by:									
Revenues from government	-	-	10,310	78,560	12,192	11,490	90,050	633,639	699,933
Sales of goods and services	-	-	-	-	-	-	-	18,020	11,658
Other non-taxation revenues	-	-	-	115	23,807	65	180	29,892	18,095
Total departmental revenues	-	-	10,310	78,675	35,999	11,555	90,230	681,551	729,686

Note 30B (continued)

Outcome 2	Output Group 2.1										Total	
	Output 2.1.1		Output 2.1.2		Output 2.1.3		Output 2.1.4		Output 2.1.5			
	2003-04 \$'000	2002-03 \$'000										
Departmental expenses												
Employees	3,837	678	5,772	14,241	5,029	3,701	1,257	549	608	2,611	16,503	21,780
Suppliers	4,971	1,043	25,390	19,109	2,976	5,692	2,092	845	704	4,015	36,133	30,704
Depreciation and amortisation	591	96	390	2,008	725	522	2,355	77	109	368	4,170	3,071
Other	17	34	14	728	39	189	66	29	3	134	139	1,114
Total departmental expenses	9,416	1,851	31,566	36,086	8,769	10,104	5,770	1,500	1,424	7,128	56,945	56,669
Funded by:												
Revenues from government	10,713	1,800	29,688	38,555	10,679	9,986	8,408	1,459	10,120	7,038	69,608	58,838
Sales of goods and services	22	17	23	74	14	33	12	14	8	26	79	164
Other non-taxation revenues	61	35	172	148	62	66	49	28	59	52	403	329
Total departmental revenues	10,796	1,852	29,883	38,777	10,755	10,085	8,469	1,501	10,187	7,116	70,090	59,331

Outcome 2	Output Group 2.2						Total
	Output 2.2.1		Output 2.2.2		Output 2.2.3		
	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	
Departmental expenses							
Employees	198	1,149	3,267	6,393	1,744	644	5,209
Suppliers	408	1,767	8,069	9,833	4,288	991	12,765
Depreciation and amortisation	49	162	1,013	902	544	91	1,606
Other	(4)	59	(82)	327	(42)	33	(128)
Total departmental expenses	651	3,137	12,267	17,455	6,534	1,759	19,452
Funded by:							
Revenues from government	-	1,202	3,879	8,001	5,819	1,649	9,698
Sales of goods and services	-	1,912	5,103	9,335	7,654	40	12,757
Other non-taxation revenues	-	15	-	76	-	81	-
Total departmental revenues	-	3,129	8,982	17,412	13,473	1,770	22,455
							22,311

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 30B (continued)

Outcome 2	Output Group 2.3						Output Group 2.4			Outcome 2	
	Output 2.3.1		Output 2.3.2		Total		Output 2.4.1			Total	
	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000								
Departmental expenses											
Employees	11,546	6,765	1,125	1,320	12,671	8,085	6,847	4,850	41,230	42,901	
Suppliers	11,403	10,404	3,185	2,031	14,588	12,435	4,374	7,459	67,860	63,189	
Depreciation and amortisation	1,176	954	103	186	1,279	1,140	489	684	7,544	6,050	
Other	86	346	4	68	90	414	21	248	122	2,195	
Total departmental expenses	24,211	18,469	4,417	3,605	28,628	22,074	11,731	13,241	116,756	114,335	
Funded by:											
Revenues from government	17,836	18,257	2,990	3,542	20,826	21,799	13,036	13,085	113,168	104,574	
Sales of goods and services	139	58	6	20	145	78	19	43	13,000	11,572	
Other non-taxation revenues	182	117	28	39	210	156	79	86	692	743	
Total departmental revenues	18,157	18,432	3,024	3,601	21,181	22,033	13,134	13,214	126,860	116,889	

Outcome 3	Output Group 3.1			TOTAL		
	Total		2002-03	2003-04		2002-03
	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000
Departmental expenses						
Employees	3,911	1,240	315,266	279,529		
Suppliers	2,003	1,908	447,010	480,632		
Depreciation and amortisation	169	175	49,130	46,213		
Other	1	64	8,059	16,634		
Total departmental expenses	6,084	3,387	819,465	823,008		
Funded by:						
Revenues from government	3,351	3,348	750,158	807,855		
Sales of goods and services	8	8	31,028	23,238		
Other non-taxation revenues	45	17	30,629	18,855		
Total departmental revenues	3,404	3,373	811,815	849,948		

Note 30C - Major Classes of Administered Revenues and Expenses by Outcomes

	Outcome 1		Outcome 2		Outcome 3		Total	
	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000	2003-04 \$'000	2002-03 \$'000
Administered Revenues								
Non-taxation fees and charges	388,882	286,310	15,117	12,938	189	1,722	404,188	300,970
Sales of goods and services	395	504	8,931	7,254	-	-	9,326	7,758
Other non-taxation revenues	76,924	88,393	13	31	-	3	76,937	88,427
Total Administered Revenues	466,201	375,207	24,061	20,223	189	1,725	490,451	397,155
Administered Expenses								
Suppliers	45,643	7,960	98,787	96,058	18,796	1,502	163,226	105,520
Grants	4	-	28,731	28,406	-	-	28,735	28,406
Personal benefits	9,733	11,126	2,958	2,000	-	-	12,691	13,126
Subsidies	994	861	441	429	-	-	1,435	1,290
Net write-down of assets	62,499	90,093	-	-	-	-	62,499	90,093
Other	-	4	-	5	-	-	-	9
Total Administered Expenses	118,873	110,044	130,917	126,898	18,796	1,502	268,586	238,444

Outcomes 1, 2 and 3 are described in Note 1.1

Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

Part 5 | Other Mandatory Information

APPENDIX 1 – CITIZENSHIP STATISTICS

The following information is provided in accordance with section 42(d) of the *Australian Citizenship Act 1948*. The tables show the number of persons who became Australian citizens, details of their former nationality/citizenship and the country in which they were ordinarily resident before entering Australia.

Country of Nationality or Citizenship of persons who became Australian citizens in the year ending 30 June 2004.

Country	Persons
Afghanistan	515
Albania	41
Algeria	23
Angola	4
Antigua and Barbuda	5
Argentina	150
Armenia	18
Austria	69
Azerbaijan	11
Bahamas	1
Bahrain	2
Bangladesh	387
Barbados	2
Belarus	35
Belgium	32
Belize	8
Benin	1
Bhutan	4
Bolivia	19
Bosnia and Herzegovina	1,490
Brazil	199
Brunei Darussallam	14
Bulgaria	94
Burundi	3
Cambodia	405
Cameroon	1
Canada	864
Cape Verde	2
Chad	1
Chile	362

China	7,072
Colombia	189
Comoros	2
Congo	12
Congo, Democratic Republic of	3
Cook Islands	11
Costa Rica	2
Cote d'Ivoire	2
Croatia	447
Cuba	18
Cyprus	35
Czech Republic	32
Czechoslovakia, former	11
Denmark	45
Djibouti	2
Dominican Republic	3
Ecuador	42
Egypt	350
El Salvador	72
Eritrea	195
Estonia	19
Ethiopia	286
Fiji	1,582
Finland	253
France	387
Georgia	6
Germany	422
Ghana	117
Greece	215
Grenada	1
Guatemala	4
Guinea	2
Guinea-Bissau	1
Guyana	4
Haiti	3
Honduras	3
Hungary	91
Iceland	4
India	3,638
Indonesia	897
Iran	644
Iraq	1,271
Ireland	905
Israel	255
Italy	866

Jamaica	7
Japan	98
Jordan	181
Kazakhstan	35
Kenya	184
Kiribati	2
Korea, Democratic Peoples' Republic of	3
Korea, Republic of	943
Kuwait	9
Kyrgyzstan	9
Laos	74
Latvia	15
Lebanon	1,085
Liberia	63
Libya	2
Liechtenstein	2
Lithuania	31
Malawi	2
Malaysia	1,846
Maldives	5
Mali	1
Malta	461
Macedonia, Former Yugoslav Republic of	413
Mauritania	2
Mauritius	177
Mexico	43
Moldova	15
Mongolia	4
Morocco	21
Mozambique	8
Myanmar (Burma)	260
Namibia	5
Nauru	1
Nepal	119
Netherlands	513
New Zealand	13,052
Nicaragua	5
Niger	2
Nigeria	126
Norway	14
Pakistan	874
Palau	1
Panama	1
Papua New Guinea	104
Paraguay	5
Peru	133

Philippines	3,019
Poland	257
Portugal	247
Qatar	1
Romania	248
Russian Federation	499
Rwanda	4
Samoa	100
Saudi Arabia	3
Senegal	6
Seychelles	20
Sierra Leone	210
Singapore	627
Slovakia	69
Slovenia	14
Solomon Islands	34
Somalia	354
South Africa	4,908
Spain	111
Sri Lanka	1,582
St Kitts and Nevis	2
Sudan	834
Suriname	1
Swaziland	2
Sweden	294
Switzerland	183
Syria	187
Tadjikistan	6
Taiwan	1,259
Tanzania	23
Thailand	708
Timor-Leste	18
Togo	1
Tonga	173
Trinidad and Tobago	16
Tunisia	10
Turkey	695
Uganda	16
Ukraine	223
United Arab Emirates	6
United Kingdom	17,201
United States of America	1,409
Uruguay	78
U.S.S.R., former	57
Uzbekistan	27
Vanuatu	7
Venezuela	49
Vietnam	2,215

Yemen	14
Yugoslavia, Federal Republic of*	984
Zambia	28
Zimbabwe	563
Stateless	830
Not stated/other	478
Total	87,049

Source: ICSE data extraction, Outcomes Reporting Section, DIMIA, 8 August 2004

*now referred to as Serbia and Montenegro

Countries or territories in which persons who became Australian citizens in the year ending 30 June 2004 ordinarily resided immediately before entering Australia.

Country	Persons
Afghanistan	270
Albania	38
Algeria	16
Angola	3
Antigua and Barbuda	7
Argentina	158
Armenia	20
Australia	456
Austria	78
Azerbaijan	11
Bahamas	8
Bahrain	33
Bangladesh	367
Barbados	3
Belarus	29
Belgium	58
Belize	6
Bermuda	9
Bhutan	5
Bolivia	18
Bosnia and Herzegovina	1,107
Botswana	27
Brazil	194
Brunei Darussallam	61
Bulgaria	90
Burundi	1
Cambodia	407
Cameroon	1
Canada	882

Chile	364
China	7,257
Colombia	189
Comoros	2
Congo	6
Congo, Democratic Republic of	1
Cook Islands	62
Costa Rica	4
Cote d'Ivoire	1
Croatia	601
Cuba	17
Cyprus	59
Czech Republic	33
Czechoslovakia, former	9
Denmark	56
Djibouti	10
Dominican Republic	2
Ecuador	47
Egypt	616
El Salvador	69
Eritrea	78
Estonia	20
Ethiopia	207
Fiji	1,580
Finland	224
France	335
French Polynesia	11
Gabon	1
Gambia	9
Georgia	5
Germany	717
Ghana	101
Gibraltar	1
Greece	380
Guatemala	4
Guinea	99
Guinea-Bissau	1
Guyana	2
Haiti	4
Honduras	3
Hungary	96
Iceland	3
India	3,283
Indonesia	920
Iran	680
Iraq	827
Ireland	776
Israel	272

Italy	820
Jamaica	8
Japan	175
Jordan	240
Kazakhstan	35
Kenya	454
Kiribati	3
Korea, Democratic Peoples' Republic of	4
Korea, Republic of	898
Kuwait	54
Kyrgyzstan	9
Laos	69
Latvia	18
Lebanon	1,112
Liberia	13
Libya	7
Lithuania	29
Luxembourg	6
Madagascar	1
Malawi	9
Malaysia	1,789
Maldives	6
Malta	481
Macedonia, Former Yugoslav Republic of	384
Martinique	3
Mauritius	173
Mayotte	1
Mexico	43
Moldova	19
Monaco	1
Mongolia	5
Morocco	26
Mozambique	3
Myanmar (Burma)	228
Namibia	11
Nauru	2
Nepal	120
Netherlands	466
Netherlands Antilles	5
New Caledonia	24
New Zealand	13,156
Nicaragua	4
Niger	1
Nigeria	163
Niue	4
Norfolk Island	5
Norway	19

Oman	35
Pakistan	1,007
Panama	1
Papua New Guinea	182
Paraguay	3
Peru	132
Philippines	2,971
Poland	246
Portugal	220
Qatar	35
Reunion	1
Romania	237
Russian Federation	491
Rwanda	5
Samoa	107
Saudi Arabia	104
Senegal	5
Seychelles	24
Sierra Leone	106
Singapore	891
Slovakia	72
Slovenia	16
Solomon Islands	45
Somalia	206
South Africa	5,194
Spain	115
Sri Lanka	1,413
St Lucia	5
Sudan	630
Suriname	1
Swaziland	11
Sweden	316
Switzerland	236
Syria	216
Tadjikistan	5
Taiwan	1,245
Tanzania	30
Thailand	805
Timor-Leste	32
Togo	1
Tonga	159
Trinidad and Tobago	15
Tunisia	7
Turkey	767
Tuvalu	1
Uganda	63
Ukraine	224
United Arab Emirates	269

United Kingdom	16,300
United States of America	1,508
Uruguay	75
U.S.S.R., former	34
Uzbekistan	30
Vanuatu	14
Venezuela	52
Vietnam	2,131
Virgin Islands, British	1
Yemen	19
Yugoslavia, Federal Republic of *	1,708
Zambia	35
Zimbabwe	661
Stateless	7
Not stated/other	59
Total	87,049

Source: ICSE data extraction, Outcomes Reporting Section, DIMIA, 8 August 2004

*now referred to as Serbia and Montenegro

APPENDIX 2 – PERFORMANCE PAY

Employees by Classification who Received Performance Pay

Classification Level	Number who received Performance Pay
Executive Level 1	10
Executive Level 2	31
SES B1	26
SES B2/SES B3	12

Aggregated Amount of Performance Payments by Classification Level

Classification Level	Aggregated amount of Performance Pay
Executive Level 1	\$50,805
Executive Level 2	\$186,552
SES B1	\$271,261
SES B2/SES B3	\$184,224

Average Bonus Payment and Range of Payments by Classification Level

Classification Level	Average Bonus Payment	Range of Payments
Executive Level 1	\$5,080	\$3,277 - \$7,221
Executive Level 2	\$6,017	\$1,847 - \$10,475
SES B1	\$10,433	\$4,795 - \$14,750
SES B2/SES B3	\$15,352	\$6,691 - \$24,672

Aggregate Bonus Payment for the Agency as a Whole

The aggregate amount of performance pay paid during the year was \$682,371.

APPENDIX 3 - SENIOR EXECUTIVE SERVICE

SENIOR EXECUTIVE SERVICE							
As at 30 June 2003				As at 30 June 2004			
Actual Classification	Female	Male	Total	Actual Classification	Female	Male	Total
SEB1	16	17	33	SEB1	18	19	37
SEB2	2	9	11	SEB2	3	9	12
SEB3	1	1	2	SEB3	1	1	2
Total	19	27	46	Total	22	29	51

Note: As at 30 June 2004 DIMIA had 51 SES positions.

The data in this table reflects the outcome of leave and acting arrangements.

APPENDIX 4 - STAFFING LEVEL BY LOCATION

STAFFING LEVEL BY LOCATION		
Location	As at 30 June 2003	As at 30 June 2004
Central Office	1,675	1,899
New South Wales	949	1,076
Victoria	570	616
Queensland	221	243
Western Australia	229	312
South Australia	204	245
Tasmania	36	55
Northern Territory	34	34
ACT Regional Office	68	75
Overseas * (Australia based staff)	164	163
Australia totals	4,150	4,718
Overseas ** (locally engaged staff)	721	680
Totals	4,871	5,398

* This figure includes staff in transit pool awaiting placement.

** Overseas staff administered by the Department of Foreign Affairs and Trade on behalf of DIMIA

APPENDIX 5 - STAFFING LEVEL BY CLASSIFICATION

Actual classification	STAFFING LEVEL BY CLASSIFICATION (as at 30 June 2004)										Total	Non-ongoing						Total	Totals
	Ongoing					Total	Full-time*					Part-time			Total				
	Female	Male	Total	Female	Male		Total	Female	Male	Total		Female	Male	Total					
APS1	9	6	15	1	1	2	17	0	0	0	0	0	0	0	0	0	17		
APS2	29	14	43	2	0	2	45	11	5	16	4	0	4	20	65				
APS3	327	182	509	38	4	42	551	186	87	273	7	1	8	281	832				
APS4	480	282	762	81	13	94	856	16	6	22	4	0	4	26	882				
APS5	443	317	760	56	8	64	824	6	5	11	2	0	2	13	837				
APS6	454	372	826	74	9	83	909	7	6	13	2	4	6	19	928				
CADPT	1	0	1	0	0	0	1	0	0	0	0	0	0	0	1				
CADST	3	2	5	0	0	0	5	0	0	0	0	0	0	0	5				
EXEC1	314	321	635	55	2	57	692	2	10	12	2	0	2	14	706				
EXEC2	88	122	210	7	1	8	218	0	0	0	0	1	1	219					
GRADUATE	30	17	47	0	0	0	47	0	0	0	0	0	0	47					
LEGAL	10	11	21	0	0	0	21	7	4-	11	0	0	0	11	32				
MO2	0	2	2	2	2	4	6	0	1	1	0	0	0	1	7				
MO3	0	0	0	0	0	0	0	0	2	2	0	0	0	2	2				
MO4	1	0	1	0	0	0	1	0	0	0	0	0	0	1					
PAO1	0	1	1	0	0	0	1	0	0	0	0	0	0	1					
PAO2	7	5	12	0	0	0	12	1	1	2	0	0	0	2	14				
PAO3	3	1	4	0	1	1	5	0	0	0	0	0	0	5					
PRLEG	11	6	17	0	0	0	17	0	0	0	0	0	0	17					
SEC	0	1	1	0	0	0	1	0	0	0	0	0	0	1					
SEB1	18	19	37	0	0	0	37	0	0	0	0	0	0	37					
SEB2	3	9	12	0	0	0	12	0	0	0	0	0	0	12					
SEB3	1	1	2	0	0	0	2	0	0	0	0	0	0	2					
SNLEG	23	16	39	5	1	6	45	1	1	2	0	0	0	2	47				
SPAOA	0	1	1	0	0	0	1	0	0	0	0	0	0	1					
SPAOB	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Totals *	2,263	1,711	3,974	321	42	363	4,337	237	128	365	21	6	27	392	4,718				

* Does not include overseas staff administered by Department of Foreign Affairs and Trade on behalf of DIMIA.

** Non-ongoing FT Staffing figure includes Non-ongoing Intermittent and Irregular employment category.

APPENDIX 6 - SALARY LEVELS BY CLASSIFICATION

SALARY LEVEL BY CLASSIFICATION		
Classification levels, local titles including broadbands and salary rates		
APS Classification	Local Title	Salary at 30 June 2004
Training Classification		
Aboriginal Cadet's pay rates during full time study. 60% of full time APS1 junior rates		\$10,439 - \$17,398
APS1 and Aboriginal Cadets during practical training		\$17,398 - \$32,161
Graduate APS		\$32,817 - \$36,504
APS Level and Executive Level Employees		
APS Level 1		\$17,398 - \$32,161
APS Level 2		\$32,817 - \$36,504
APS Level 3		\$37,378 - \$43,425
APS Level 4		\$41,659 - \$46,907
APS Level 5		\$46,467 - \$55,621
APS Level 6		\$50,187 - \$61,817
EXEC Level 1		\$64,274 - \$74,500
EXEC Level 2		\$74,108 - \$98,482
Legal Officer		
APS Level 4	Legal Officer	\$44,103
APS Level 5		\$47,923
APS Level 6		\$50,187 - \$57,819
EXEC Level 1	Senior Legal Officer	\$64,274 - \$81,160
EXEC Level 2	Principal Legal Officer	\$86,390 - \$94,108
Public Affairs Officer		
APS Level 4	Public Affairs Officer 1	\$42,984 - \$45,234
APS Level 5	Public Affairs Officer 1	\$47,923 - \$49,384
APS Level 6	Public Affairs Officer 2	\$52,845 - \$59,517
EXEC Level 1	Public Affairs Officer 3	\$70,082 - \$78,516
EXEC Level 2	Senior Public Affairs Officer B	\$81,553 - \$84,365
	Senior Public Affairs Officer A	\$86,052 - \$88,864
Medical Officer		
Medical Officer Class 2		\$82,893 - \$86,165
Medical Officer Class 3		\$92,656 - \$95,726
Medical Officer Class 4		\$101,053 - \$109,787
Senior Executive Service		
Senior Executive Service Band 1		\$108,000 - \$122,000
Senior Executive Service Band 2/3		\$142,000 - \$179,659

APPENDIX 7 – OCCUPATIONAL HEALTH AND SAFETY (OHS)

The department is committed to providing a safe and healthy work environment for staff, contractors and visitors. This commitment is reflected in the department's 2003 Occupational Health and Safety Policy and Agreement. This document was developed in consultation with staff and their representatives as required under the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

OHS Committees

In line with legislative requirements to consult with staff and their representatives on OHS issues, the department convenes health and safety committees in all state and territory offices. Key OHS issues are referred to the National OHS Committee, which met three times during 2003-04.

Health and Safety Representatives

Health and Safety Representatives (HSRs) were maintained for Designated Work Groups. Elections for vacant HSR and deputy HSR positions were conducted by the Community and Public Sector Union in consultation with the department on an ongoing basis as vacancies occurred.

HSRs continued to be active in their workplaces and the HSR network met on a regular basis, providing a consultative mechanism in addition to the OHS committees established under the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

Health, Safety and Welfare at Work of Employees

Measures taken during the year to ensure the health, safety and welfare of employees

and contractors included:

- OHS advice and training
- eyesight testing for screen based work
- employee assistance and counselling services
- expert assistance to staff with workstation ergonomics
- first aid services
- fire warden services
- provision of influenza vaccinations.

Employee health and fitness has been encouraged through a range of activities, such as health promotion seminars and the sponsorship of a number of corporate sporting events. The 2003 National Walk to Work Day was also strongly supported by staff, as were local fun runs and walks.

Incidents

There were 103 incidents reported to Comcare under Section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. Of these, 41 involved serious personal injury and 62 were dangerous occurrences.

A serious personal injury is an injury where a person requires emergency medical treatment. A dangerous occurrence is an incident resulting from operations of the employer that could have resulted in death or serious personal injury to an employee, contractor or third party.

The number of incidents has increased (compared to 48 incidents at June 2003) due to an increased number of incidents at detention centres, of which six relate to sporting activities, and an enhanced awareness of reporting requirements.

Notices and Investigations

There were no Provisional Improvement Notices issued under Section 29 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

Comcare is currently finalising a report on an investigation under Section 41 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

In May 2004 Comcare undertook an investigation of the effectiveness of occupational health and safety management systems in compliance operations.

No notices were issued under Sections 46 and 47.

Comcare Premium

DIMIA's compensation premium rate for 2004-05 is 1.77 per cent, which is slightly higher than the average premium rate for Commonwealth agencies of 1.67 per cent. The primary drivers of the premium rate are claims costs and frequency of claims. While the frequency of claims in DIMIA has remained relatively stable, claims costs, particularly resulting from longer periods of incapacity (that is, the period in which an employee is unfit for work), has increased over the last three years.

DIMIA's occupational health and safety strategies continue to target the causal factors behind this increase. The key measures focus on case managers working with supervisors and affected employees to improve the effectiveness of occupational rehabilitation, and achieve earlier return to work outcomes.

APPENDIX 8 – FREEDOM OF INFORMATION (FOI)

The information below is provided to comply with section 8 of the *Freedom of Information Act 1982*.

Information on the department, including its structure, appears earlier in this report. Decision-making powers are vested in the Minister and/or Secretary under various Acts. The Minister or Secretary may delegate most of their powers to departmental staff.

Generally, the department prefers to provide access to documents in the form of copies. Private viewing of personal files may be done by appointment at state and regional offices.

Initial telephone inquiries in relation to FOI matters may be made through the Client Service Line, 131 881.

FOI requests with contact addresses in New South Wales should be sent to FOI Unit, DIMIA Sydney, GPO Box 9984, Sydney NSW 2001.

FOI requests with contact addresses in Victoria should be sent to FOI Unit, DIMIA Victoria, GPO Box 241E, Melbourne VIC 3001.

FOI requests with contact addresses in all other states and territories of Australia should be sent to FOI Unit, Ombudsman, Privacy and FOI Section, DIMIA, PO Box 25, Belconnen ACT 2616.

FOI Documents Maintained	
Type	Description
Documents of decision-making bodies #	Relating to the business of these bodies and including agenda, minutes and other records.
Cabinet documents #	Records of Cabinet matters including Cabinet submissions and Cabinet minutes.
Representations to the Minister for Immigration and Multicultural and Indigenous Affairs and the Minister for Citizenship and Multicultural Affairs #	The Ministers receive a large number of written representations each year concerning all aspects of migration, population, settlement, citizenship policies, Indigenous affairs and portfolio administration.
Documents on internal departmental administration #	These documents include personnel records, organisation and staffing records, financial and expenditure records, and internal operating documentation such as internal working documents and correspondence.
Program documents #	DIMIA holds documents relating to grants provided to various organisations under the programs the department administers and programs administered under enactments including the <i>Migration Act 1958</i> and the <i>Australian Citizenship Act 1948</i> .
Personal information documents #	The department holds personal information about applicants for migration and Australian citizenship and information about movements into and out of Australia. This is located on personal files and departmental databases.
Documents available for access or purchase subject to a fee or other charge	The department's Annual Report is available on the Internet. Departmental legislation and policy instructions were available for purchase on the LBC Immigration Service CD ROM up to 30 March 2004 and on the department's online subscription service, LEGENDcom, since that date. The Freedom of Information Handbook is available for purchase from the Department's Freedom of Information units.
Documents available free of charge upon request *	The department holds and makes available on request (free of charge) a range of documents including Fact Sheets, some research documents, general information leaflets (some in a number of languages) and a leaflet on FOI, published by the Attorney-General's Department.

Some records are either not available or only available to the public under the FOI Act, where access may be subject to a charge.

* These are made available at the public inquiry counters of the department's Australian and overseas offices.

APPENDIX 9 – ADVERTISING AND MARKET RESEARCH

Expenditure on advertising and market research contracts during the year

Advertising Agencies	\$
Total for advertising agencies	0

Market Research	\$
AMR Interactive Integrated Humanitarian Settlement Services – Client Survey NSW	64,005
Total for market research	64,005

Direct mail organisations	\$
Total for direct mail organisations	0

Media Advertising	\$
Coo'ee Brisbane Renegotiating the continued use of talent from the Australian Citizenship 2001 and 2002 promotion campaign	129,000
HMA Blaze Newspaper advertising	708,102
Total for media advertising	837,102

Total	901,107
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APPENDIX 10 – ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

The department aims to identify, implement and promote best practice in environmental management, to operate in an ecologically sustainable manner and to provide an environmentally sound workplace that conforms to occupational health and safety requirements.

Measures implemented in 2003-04 include:

- expansion of the Waste Watch Network of local Environmentally Sustainable Development “champions” promoting staff awareness and education
- provision of extensive information on the department’s Intranet
- the negotiation of a new cleaning contract in Central Office which requires the weighing of waste and recycling material to provide verifiable data from 2003-04
- promotion of the procurement of recycled printing and copy paper and the purchase of recycled toner cartridges
- continuing reduction of the department’s energy consumption. This consumption is measured in Megajoules/per person/per annum (MJ/pp/pa), and has been reduced from 16,492 MJ/pp/pa (1997-98) to 4,772 MJ/pp/pa (2003-04), as set out in the table below. Since 2000-01, this performance has exceeded the Commonwealth energy target of 10,000 MJ/pp/pa.

The following table outlines DIMIA energy performance:

Financial Year	Building Tenant Light & Power	
	MJ/pp/pa Target 10,000 by 2002-03	MJ/m ² /pa No Target Set
1997-98	16,492	794
1998-99	15,533	732
1999-2000	12,169	587
2000-01	9,932	528
2001-02	9,849	467
2002-03	8,359	429
2003-04 (Est)	4,772	304

Migration and the Environment

The Minister recently announced an increase in the number of places available for migrants coming to Australia to 120,000 in 2004-05. Included in this increase are additional places for migrants to regional areas, including 5,000 places for the new two stage Skilled Independent Regional (SIR) Visa and an extra 1,000 places for doctors and their families.

The new SIR visa will commence operation on 1 July 2004. This visa will enable states and territories to sponsor the skilled migrants they require to regional and low growth areas. SIR visa holders will be required to live and work in these regions for at least two years before becoming eligible for permanent regional migration. The purpose of the change is to deliver more highly skilled, young and English speaking migrants to those regions of Australia facing skill shortages.

State Specific Migration Mechanisms (SSMMs) have been successful in recent years in settling significant numbers of migrants in areas outside Sydney, Newcastle, Wollongong, Brisbane, Gold Coast, Melbourne and Perth. SSMMs help to alleviate population and environmental pressures experienced in Australia's larger cities.

DISCRETIONARY GRANTS

Discretionary grants are payments where the Portfolio Minister or agency has discretion in determining whether or not an applicant receives funding and may or may not impose conditions in return for the grant.

The following discretionary grants programs were administered by DIMIA during 2003-04:

- Multicultural Affairs
- Living in Harmony community grants
- Grants for Migrant Community Services.

A list of all grant recipients is available from DIMIA on request.

CORRECT MAJOR ERRORS IN PREVIOUS ANNUAL REPORT**OUTPUT 1.1 NON-HUMANITARIAN ENTRY AND STAY****1.1.7 Resident Return Visas, Australian Declaratory Visas and Certificate of Evidence of Residence Status**

The Visa statistics table on page 41 of the report stated that there were 71,293 visas issued in 2001-02 and 72,518 in 2002-03; an increase of 1.7 per cent. This was a typographical error. The correct totals are 70,122 in 2001-02 and 69,761 in 2002-03; a decrease of 0.5 per cent.

GLOSSARY

ACT	Australian Capital Territory
AAT	Administrative Appeals Tribunal
AAP	Annual Audit Plan
ABS	Australian Bureau of Statistics
ACM	Australasian Correctional Management Pty Ltd
ACS	Australian Customs Service
ADS	Approved Destination Status
ADV	Australian Declaratory Visas
AFP	Australian Federal Police
AHL	Aboriginal Hostels Limited
AIATSIS	Australian Institute of Aboriginal and Torres Strait Islander Studies
AIEPB	Affiliation of International Education Peak Bodies
ALO	Airline Liaison Officer
AMEP	Adult Migrant English Program
ANAO	Australian National Audit Office
AOSPC	Adelaide Offshore Student Processing Centre
APC	Asia-Pacific Consultations on Refugees, Displaced Person and Migrants
APEC	Asia-Pacific Economic Cooperation
API	Advance Passenger Information
APIMRP	Australian Population, Immigration and Multicultural Research Program
APMAB	Australasian Police Multicultural Advisory Bureau
APP	Advance Passenger Processing
APS	Australian Public Service
ARC	Australian Red Cross
ART	Administrative Review Tribunal
ASA	Asylum Seeker Assistance
ASCO	Australian Standard Classification of Occupations
ATIS	Automated Telephone Interpreting Service
ATO	Australian Taxation Office
ATSIC	Aboriginal and Torres Strait Islander Commission
ATSISS	Aboriginal and Torres Strait Island Services
AusAID	Australian Agency for International Development
AWA	Australian Workplace Agreement
BFU	Bona Fides Units
BVE	Bridging visa E
BVF	Bridging visa F
CEI	Chief Executive Instruction
CERs	Certificates of Evidence of Residence Status
CGC	Commonwealth Grants Commission
CIL	Citizen Information Line

CMA	Council for Multicultural Australia
CMAU	Contract Management Advisory Unit
COAG	Council of Australian Government
COLD	Community On-Line Database
COP	Change of Provider
CSC	Computer Sciences Corporation Limited
CSM	Central Skilled Migration
CSR	Community Support for Refugees
CSSS	Community Settlement Services Scheme
CSWE	Certificate in Spoken and Written English
CSU	Cluster Support Unit
CTC	Competitive Tendering and Contracting
DAEC	Departmental Audit and Evaluation Committee
DEST	Department of Education, Science and Training
DEWR	Department of Employment and Workplace Relations
DFAT	Department of Foreign Affairs and Trade
DIMIA	Department of Immigration and Multicultural and Indigenous Affairs
DOTARS	Department of Transport and Regional Services
EOC	Entry Operation Centre
ERC	Expenditure Review Committee
ESL	English as a Second Language
ETA	Electronic Travel Authority
FaCS	Department of Family and Community Services
FACT	Financial Accountability and Control Tools
FAYS	Family and Youth Agency
FECCA	Federation of Ethnic Communities' Councils of Australia
FOI	Freedom of Information (Act)
FPV	Further Protection Visa
GPU	Global Processing Unit
GCIM	Global Commission on International Migration
GSL	GSL (Australia) Pty Ltd
GST	Goods and Services Tax
HR	Human Resource
HREOC	Human Rights and Equal Opportunity Commission
HAS	Health Services Australia
HSR	Health and Safety Representatives
HuSCI	Humanitarian Settlement Client Information System
IAAAS	Immigration Advice and Application Assistance Scheme

IBA	Indigenous Business Australia
ICCT	Indigenous Communities Coordination Taskforce
ICSE	Integrated Client Service Environment
ICT	Information and Communication Technology
ICTY	International Criminal Tribunal for the Former Yugoslavia
IDAG	Immigration Detention Advisory Group
IDCU	Identity Checking Unit
IDF	Immigration Detention Facility
IDS	Immigration Detention Standards
IECN	International Events Coordination Network
IELTS	International English Language Testing System
IGC	Inter-Governmental Consultations
IHSS	Integrated Humanitarian Settlement Strategy
ILC	Indigenous Land Cooperation
IOM	International Organisation for Migration
IPSLR	International Second Language Proficiency Rating Scale
IRIS	Immigration Records Information System
IRPC	Immigration Reception and Processing Centre
ISS	International Social Services
IT	Information Technology
IVRU	Interactive Voice Response Unit
LGA	Local Government Area
LSIA	Longitudinal Survey of Immigrants to Australia
LTDS	Long Term Detention Strategy
MAL	Movement Alert List
MARA	Migration Agents Registration Authority
MATF	Migration Agents Taskforce
MCATSIA	Ministerial Council on Aboriginal and Torres Strait Islander Affairs
MIA	Migration Institute of Australia
MODL	Migration Occupations in Demand List
MOU	Memorandum of Understanding
MPMS	Migration Program Management System
MRC	Migrant Resource Centre
MRT	Migration Review Tribunal
MSA	Migrant Service Agencies
NAATI	National Accreditation Authority for Translators and Interpreters
NCA	National Capital Authority
NGO	Non-government Organisation
NRR	Non-Return Rate
NSCF	National Staff Consultative Forum
NSW	New South Wales

OATSIA	Office of Aboriginal and Torres Strait Islander Affairs
OEA	Office of Evaluation and Audit
OHS	Occupational Health and Safety
OIPC	Office of Indigenous Policy Coordination
OPC	Offshore Processing Centre
PAES	Portfolio Additional Estimates Statements
PAL	Performance and Learning Scheme
PBS	Portfolio Budget Statements
PDV	Professional Development Visa
PIDC	Pacific Immigration Directors Conference
PNG	Papua New Guinea
POPC	Perth Offshore Parents Centre
PPV	Permanent Protection Visa
PRC	Peoples' Republic of China
PTW	Permission to Work
PV	Protection Visa
PWC	Public Works Committee
QCC	Quality Control Codes
RAC	Registrar for Aboriginal Corporation
RBS	Royal Blind Society
RCA	Regional Cooperation Arrangements
RFT	Request for Tender
RHP	Residential Housing Project
ROO	Regional Outreach Officer
ROS	Resolution of Status
RRAC	Refugee Resettlement Advisory Council
RRT	Refugee Review Tribunal
RRV	Resident Return Visa
RWAC	Regional Women's Advisory Council
SARS	Severe Acute Respiratory Syndrome
SDB	Settlement Data Base
SCATSIA	Standing Committee of Aboriginal and Torres Trait Islanders Affairs
SIR	Skilled Independent Regional
SES	Senior Executive Service
SHP	Special Humanitarian Program
SLA	Service Level Agreement
SOM	Senior Officials Meeting
SSSL	Sydney Skills Shortage List
SSMM	State Specific Migration Mechanism
SSR	Settlement Service Review

TB	Tuberculosis
TIS	Translating and Interpreting Service
TPV	Temporary Protection Visa
TRIPS	Travel and Immigration Processing Systems
TSRA	Torres Strait Regional Authority
TVAG	Tourism and Visa Advisory Group
UHM	Unaccompanied Humanitarian Minor
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
USA	United States of America
VET	Vocational Education and Training
VITS	Victorian Interpreting and Translating Service
WA	Western Australia
WaR	Women at Risk
WHM	Working Holiday Makers
WHO	World Health Organisation

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