



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

2004–05 Annual Report





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Multicultural and Indigenous Affairs**

**2004–05 Annual Report**



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Australian Government

Department of Immigration and Multicultural and Indigenous Affairs

SECRETARY

7 October 2005

Senator the Hon. Amanda Vanstone  
Minister for Immigration and Multicultural and Indigenous Affairs  
Parliament House  
CANBERRA ACT 2600

Dear Minister

#### 2004-05 ANNUAL REPORT

As required by sections 63 and 70 of the *Public Service Act 1999*, I present to you the 2004-05 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 2005.

Yours sincerely

[signed]

(Andrew Metcalfe)

people our business

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**PART 1** Overviews



## Secretary's review



I commenced as Secretary to the Department of Immigration and Multicultural and Indigenous Affairs (the department) on 18 July 2005, after the end of the formal reporting period. The last year was a period of focused public scrutiny of the department. Some of our activities were the subject of intense debate in the Parliament, in the media and undoubtedly around kitchen tables and in workplaces around Australia.

The criticism came to a head in July 2005 with the public release of the report by Mr Mick Palmer AO APM of his Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau. That report also covered aspects of the department's handling of the case of Vivian Alvarez Solon, on which a full report will be made by Mr Neil Comrie AO APM under the auspices of the Ombudsman in October 2005.

Mr Palmer identified a number of areas where the department had made mistakes and where substantial improvement is necessary. Making those improvements is a large part of my job.

Along with the senior staff in the department, I have recognised that while the Palmer Report focused on detention and compliance activities, the recommendations have much broader implications for the department. Indeed, there are lessons for other public sector organisations and these have been considered by all Australian Government departmental Secretaries.

Leadership, governance, values and behaviour, client service, openness, training and instructions and support for staff have all come under the microscope. Changes to procedures and protocols are obvious solutions, as are a better focus on client service, record-keeping, integrated systems, training and staff support. But none of this will be sufficient without broader cultural change. I have made a commitment to make the changes necessary to ensure that the department becomes the kind of organisation that meets the expectations of the Government and the wider community.

On 8 August 2005, I briefed all departmental staff on the direction for change and the three major themes that will guide us in becoming the kind of organisation we need to be. We must become a more open and accountable organisation that deals reasonably and fairly with clients and has staff that are well trained and supported. These themes are summed up in the phrase we have adopted to underpin all that we do: **people—our business**. It reminds us that people are at the core of all our activities and that the decisions we take have a direct impact on their lives. That is why it is important to get our decisions right the first time. I have emphasised to

all staff that our approach is always to make common sense, reasonable and lawful decisions. Therein lies our key to open, accountable and supportable decision-making.

I believe this framework will allow the department to move forward to implement both the specific recommendations of the Palmer Report and to address the broader issues Mr Palmer raises in relation to the culture and performance of the department. Many changes have already been made and were well underway before Mr Palmer reported on 14 July 2005. We had established the National Identity Verification and Advice Unit as a direct response to concerns about the handling of identity issues. We introduced Detention Review Managers in each jurisdiction where people are detained to review cases where a person's identity and status are not quickly confirmed and to ensure that decisions to detain are soundly based and regularly reviewed. We made substantial improvements to health services provided in immigration detention centres, particularly in relation to mental health issues. More will be done.

Concerns about arrangements for long-term detainees, especially families with children, have been addressed through a range of measures announced by the Prime Minister on 17 June 2005. Further changes to legislation and the way we handle people in detention have been made to ensure that the current policy is administered with greater flexibility, fairness and in a more timely manner. Applications for protection visas must now be finalised within three months and the department is further committed to finalising the existing caseload of permanent protection visa applications from temporary protection visa holders by 31 October 2005. New non-compellable and non-delegable powers were provided to the Minister personally to specify alternative arrangements for a person's detention and to grant a visa to a person in detention. These new arrangements ensured that by 29 July 2005, all children and their families had been removed from immigration detention centres.

There is much more to do. Over the coming months I will be working with our portfolio ministers to ensure the department implements a suite of measures to address the specific concerns raised by Mr Palmer and the broader criticism directed at the department. Engaging with our critics is a key step, and I have sought the views of a broad range of individuals and organisations that have an interest in immigration issues or a role in external scrutiny. Not all of the feedback is negative; much of it is positive and constructive. I will develop and strengthen those relationships.

One of the department's other key tasks is to work closely with our Ministers to assist them in getting squarely before the public the facts on immigration matters. For example, some businessmen recently commented to me that they supposed there were still thousands of 'refugees' in detention. I suspect many people believe this to be the case. In fact, less than 30 per cent of the 675 people in immigration detention as at 2 September 2005 were in the process of seeking Australia's protection. The significant majority of detainees are visa overstayers, or persons found breaching visa conditions. It is also true that Australia has a very proud record of resettling refugees from overseas and the numbers have increased.



Deserved criticism in some areas should not mean that we do not recognise the very real and significant achievements of the department and its programs in other areas. We manage and provide advice on migration and humanitarian policy, border control, Australian citizenship, multicultural affairs, settlement services and Indigenous affairs. I will talk about some of those things to give an overall sense of the magnitude and complexity of the job we do.

### **MIGRATION PROGRAM**

The department celebrated its 60<sup>th</sup> anniversary in July 2005 and, since it was established, it has played an important part in building our nation. Last year we assisted over 120 000 migrants to settle in Australia and this included better than planned outcomes for employer sponsored migration and State specific migration. The skilled stream (77 880 places) made up 65 per cent of the total program (up from 62 per cent in 2003–04), reflecting levels of demand and the needs of a very strong Australian labour market. This program will deliver significant fiscal and economic benefits in the years ahead.

### **E-VISA DEVELOPMENTS**

We have always been a world leader in developing 'e-commerce' tools to streamline activity. Four years ago the department released its new 'e-Visa' product. Clever technology, developed in-house, married the internet with the department's main visa processing system to create a convenient and efficient visa lodgement option for clients. It operates 24 hours a day, seven days a week, all around the world. Take-up rates for e-Visas have continued to grow. In any given hour we receive over 500 visa applications, most of them via electronic means. More than 60 per cent of long stay temporary business visitors and nearly 100 per cent of working holiday makers lodged their visa applications electronically. This is in addition to the almost three million tourists who arrived in Australia last year on an Electronic Travel Authority.

### **HUMANITARIAN PROGRAM**

Australia takes its international humanitarian responsibilities very seriously. Our offshore humanitarian program continues to rank in the top three programs in the world dedicated to the resettlement of refugees from overseas. 2004–05 saw the full delivery of the Government's increased humanitarian program (up from 12 000 to 13 000 new places), including 6000 for offshore refugees (an increase of 50 per cent). Key source regions were again Africa, the Middle East and South West Asia.

I took the opportunity in the first weeks of my appointment to meet newly arrived refugees from Africa and Afghanistan and see first hand the impact our humanitarian program has on the lives of individuals, who have suffered terribly and to whom Australia offers the opportunity to rebuild lives.

## **SUPPORTING TOURISM AND INTERNATIONAL EDUCATION**

Tourism and international education are major contributors to the Australian economy and both continue to grow. Our focus has been on facilitating the entry of tourists and students through streamlined visa processing while maintaining the integrity of our border. We facilitated visa delivery for around 600 major international events hosted in Australia in 2004–05, a 50 per cent increase over the previous year. Planning is well underway for the Commonwealth Games in March 2006 and we can now look forward to facilitating World Youth Day in Sydney in 2008.

## **INTERNATIONAL COOPERATION**

International cooperation work by the department strengthened border security, migration and humanitarian program outcomes. Substantial bilateral activity, including in technical work on border control and migration management in some 20 countries, supported better operational cooperation to curb the potential for people smugglers and terrorists to circumvent border controls. The department also continued to lead on managed migration and border-related initiatives in the International Organization for Migration (IOM) and in regional forums such as Asia-Pacific Economic Cooperation (APEC), the Bali Process on People Smuggling and in the Pacific region. Our active role with the United Nations High Commissioner for Refugees encouraged a more practical, solutions oriented approach and greater commitment to resettlement as a durable solution.

## **RESPONDING TO INTERNATIONAL EMERGENCIES**

The department also played an important role in the whole-of-government international response to the Boxing Day 2004 tsunami. Like thousands of other Australians, our staff made substantial personal contributions to assisting those affected by the disaster. Emergency travel documents for citizens and residents helped facilitate their speedy return to Australia. Our records assisted the Department of Foreign Affairs and Trade consular team track the movements of those travellers reported as missing by friends and family. Visa applications from those affected by the tsunami were given priority.

## **BORDER SECURITY**

National security continues as one of the Government's top policy priorities. Border protection is a key layer in our national security arrangements and the government places a high degree of responsibility on the department to work with other agencies on ensuring the integrity of the border. The department continued its role in chairing the high-level People Smuggling Taskforce, whose work has been informed by a comprehensive strategic assessment on people smuggling prepared by law enforcement and intelligence agencies in November 2004. We are taking the lead in developing the Regional Movement Alert List (RMAL) as an APEC counter-terrorism initiative directed at strengthening border management systems and processes in the region.

## CITIZENSHIP

More than 111 000 people became Australian citizens in 2004–05 and there were many significant citizenship ceremonies. On Citizenship Day, 17 September 2004, the Governor-General, His Excellency Major General Michael Jeffery AC CVO MC presided at a citizenship ceremony—the first time a Governor-General has done so. On Australia Day 2005, the Prime Minister—who had attended many citizenship ceremonies—formally presided at his first citizenship ceremony.

A number of changes were also announced to bring the 55 year old *Australian Citizenship Act 1948* into line with, and to reflect the needs of, contemporary Australia.

## MULTICULTURAL AFFAIRS

A record number of Harmony Day events (more than 2700) were sponsored by governments, community organisations and educational institutions, and the 17 Harmony Day partners on 21 March 2005. Harmony Day has gained in public profile to become a permanent fixture on Australia's multicultural calendar. The Living in Harmony initiative partnerships program has strengthened relationships between major Australian institutions and our multicultural communities, with a particular focus this year on the court system and among law enforcement agencies.

## SETTLEMENT

Over the past year, settlement services policy development has focussed primarily on the implementation of the core recommendations of the Review of Settlement Services for Migrants and Humanitarian Entrants (2003). This Review set the framework for the new Settlement Grants Program formulated around needs-based settlement planning. The new program commences on 1 July 2006, replacing the current Community Settlement Services Scheme program and ceasing core funding to Migrant Resource Centres and Migrant Service Agencies. Concurrently, the Integrated Humanitarian Settlement Strategy has been restructured and tender negotiations are being finalised on 20 new contracts for the delivery of settlement services to humanitarian entrants. The new contracts are due to commence in October 2005.

## INDIGENOUS AFFAIRS

The Office of Indigenous Policy Coordination (OIPC) was created within the department on 1 July 2004 to coordinate and drive the Government's new arrangements in Indigenous affairs. Mr Wayne Gibbons, the Associate Secretary of OIPC, provides a more detailed review of the activities of OIPC later in this report. But I would like to comment that OIPC has met the considerable challenge of implementing the policy and legislative changes that followed the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) and the associated

service delivery agency, Aboriginal and Torres Strait Islander Services (ATSIS) and the transfer of ATSIC–ATSIS programs to other agencies. The staff of OIPC are to be commended for their effort.

## **IMPROVING OUR BUSINESS PROCESSES**

There has been a sustained focus on measures to improve information technology (IT) processes and services and to plan for future demand, including business and workforce planning. Information management remains a priority. However, the Palmer Report raised a number of issues relating to systems design, information retrieval and record keeping that we must address as a matter of urgency. Support for integrated case management and decision-making will be key priorities for IT development in coming months.

## **THE YEAR AHEAD: BUILDING A COMPETENT AND CONFIDENT DEPARTMENT DELIVERING FOR AUSTRALIA**

I have no doubt that 2005–06 will be a significant challenge for the department. I have asked all staff to do three things as we work through the changes that are necessary if we are to meet the expectations placed on us:

- to engage and commit to the change process
- to take a whole-of-government and whole-of-department approach to all of our work
- to keep the business running while we undertake this ambitious and essential change process.

The pressure to deliver to our clients and to deliver outcomes across our core business continues while we make the changes. Working with industry and state and territory governments to enhance the delivery of the skilled migration program and improve our competitive edge is a key priority for the department in 2005–06. Border security continues as a major focus and we will be redeveloping one of the key counter-terrorism tools, the Movement Alert List (MAL) to ensure its continued successful operation. Departmental staff will continue to make a positive contribution in administering world-class migration, humanitarian, settlement, multicultural, border and Indigenous programs.

Change does not come easily to large organisations—it takes time and commitment. And while under no illusions about the scale of the task, I am very confident that departmental staff have the capacity to deliver on the change agenda that I describe in detail above. We shall be judged on what we have achieved. I look forward to reporting next year and demonstrating the practical changes we have made on a range of levels.

Andrew Metcalfe  
Secretary

# Departmental overview

## MISSION

The mission of the department is:

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

## ROLE AND FUNCTIONS

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:

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

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

- assessing the character, health and bona fides of people applying for entry into Australia
- issuing visas for migrants and temporary entrants (for example, tourists, students and business visitors)
- processing people moving into and out of 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 deporting non-citizens found 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
- coordinating whole-of-government innovative policy development and service delivery in Indigenous affairs across the Australian Government.

## MINISTERS

The department is responsible to two ministers:

- the Minister for Immigration and Multicultural and Indigenous Affairs, Senator the Hon. Amanda Vanstone
- the Minister for Citizenship and Multicultural Affairs, the Hon. Gary Hardgrave MP (to 26 October 2004) and the Hon. Peter McGauran MP (26 October 2004 to 30 June 2005).

## PORTFOLIO STRUCTURE

The portfolio consists of:

- The Department of Immigration and Multicultural and Indigenous Affairs (the department), including the Office of Indigenous Policy Coordination (OIPC).
- Aboriginal and Torres Strait Islander Commission (ATSIC)—to 24 March 2005  
ATSIC was established by the *Aboriginal and Torres Strait Islander Commission Act 1989* (ATSIC Act) to develop policies and manage programs to overcome disadvantage and improve the economic status and social wellbeing of Aboriginal people and Torres Strait Islanders living outside the Torres Strait region. ATSIC ceased on 24 March 2005 on the proclamation of the *Aboriginal and Torres Strait Islander Act 2005*.
- Aboriginal and Torres Strait Islander Services (ATSIS)—to 30 June 2005  
In 2003–04, all individual funding decisions about programs formerly delivered by ATSIC were made by ATSIS, an executive agency. ATSIS acted as ATSIC's agent in the year under review and ceased on 30 June 2005.

- Indigenous Land Corporation (ILC)  
The ILC aims to provide economic, environmental, social and cultural benefits for Aboriginal and Torres Strait Islander peoples by assisting in the acquisition and management of an Indigenous land base.
- Migration Review Tribunal (MRT)  
The 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 certain visas.
- Office of the Registrar of Aboriginal Corporations (ORAC)  
The Registrar of Aboriginal Corporations is an independent statutory officer 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.
- Refugee Review Tribunal (RRT)  
The 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.
- Regional Councils—to 30 June 2005  
The Regional Councils established under the ATSIC Act ceased on 30 June 2005.
- Torres Strait Regional Authority (TSRA)  
The 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 about Torres Strait Islander regional issues.
- Northern Land Council
- Central Land Council
- Anindilyakwa Land Council
- Tiwi Land Council

The four Northern Territory Land Councils are each independent statutory bodies established pursuant to section 21 of the *Aboriginal Land Rights (Northern Territory) Act 1976* (the ALR Act). Their functions are to ascertain and express the wishes and the opinion of traditional Aboriginal owners as to the management of Aboriginal land in respective areas; protect their interests; assist Aboriginals claiming to have a traditional land claim in pursuing those claims; consult with traditional Aboriginal owners of, and other Aboriginals interested, with respect to any proposal relating to the use of that land; and assist with carrying out commercial activities on that land (including resource development, the provision of tourist facilities and agricultural activities).

- **Aboriginal Land Commissioner**

The Aboriginal Land Commissioner is an independent statutory officer appointed by the Governor-General under the ALR Act. The principal functions of the Aboriginal Land Commissioner are to consider applications being made by or on behalf of Aboriginals claiming to have a traditional land claim to an area of land to ascertain whether those Aboriginals or any other Aboriginals are the traditional Aboriginal owners of the land; and to report his findings to the Minister and to the Administrator of the Northern Territory, and where he finds that there are Aboriginals who are the traditional Aboriginal owners of the land make recommendations to the Minister for the granting of the land or any part of the land.

- **Wreck Bay Aboriginal Community Council**

The Wreck Bay Aboriginal Community Council is an independent statutory body established under section 4 of the *Aboriginal Land Grant (Jervis Bay Territory) Act 1986*. In summary, the functions of the Council are to hold title to Aboriginal land; exercise, for the benefit of the members of the Community, the Council's powers as owner of Aboriginal land and of any other land owned by the Council; to make representations to the Minister in relation to land that the Council considers should become Aboriginal land and in relation to other relevant matters; in consultation with the Minister, to consider and, where practicable, take action for the benefit of the Community in relation to the housing, social welfare, education, training or health needs of the members of the Community; provide community services to members of the Community; protect and conserve natural and cultural sites on Aboriginal land; engage in land use planning in relation to Aboriginal land; manage and maintain Aboriginal land; and conduct business enterprises for the economic and social benefit of the Community.

### **Non-statutory bodies**

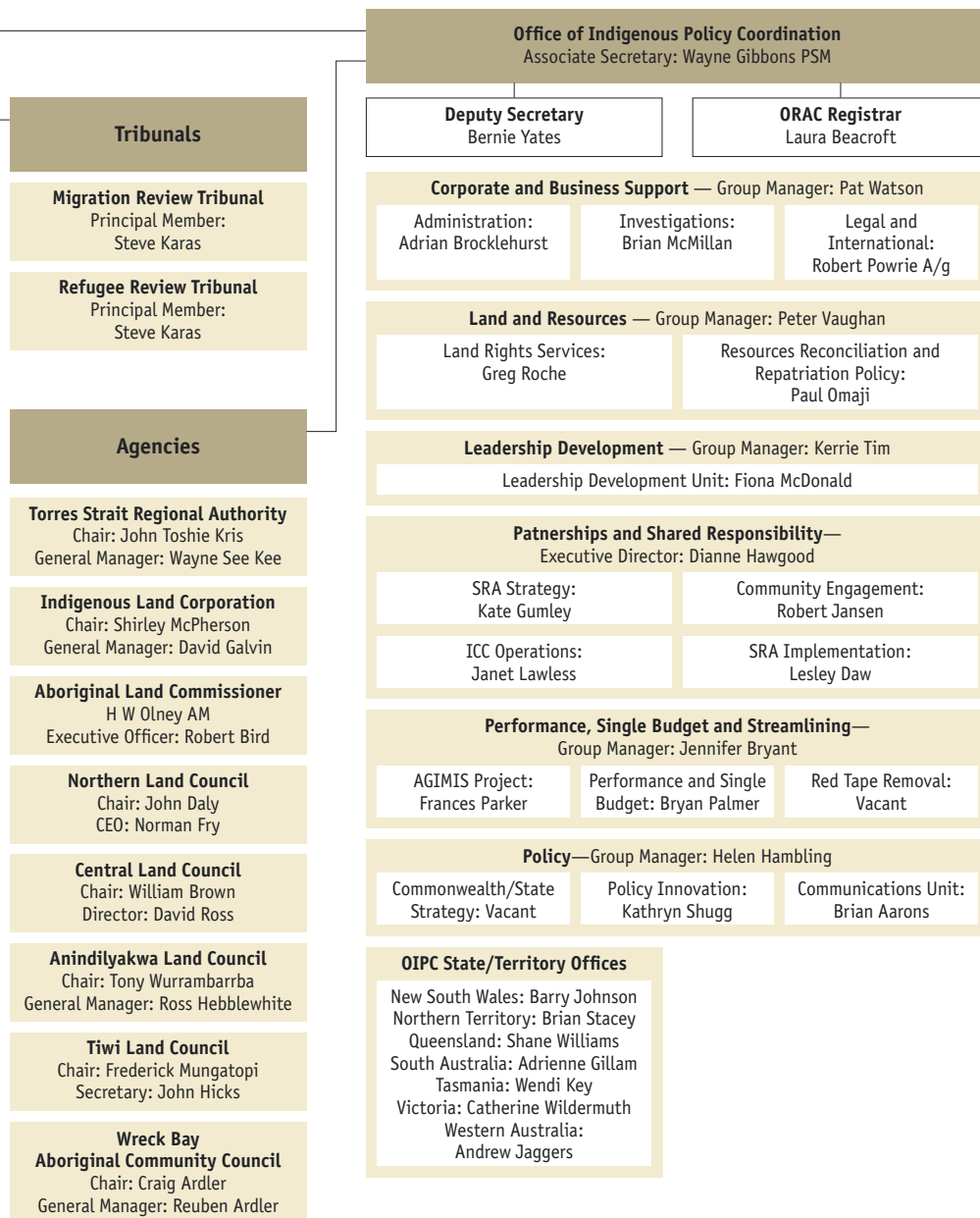
The following non-statutory bodies advise the portfolio: the Council for Multicultural Australia, the Refugee Resettlement Advisory Council, the Immigration Detention Advisory Group and the National Indigenous Council. There is also extensive consultation with the Migration Agents Registration Authority (MARA). Membership of these bodies at 30 June 2005 can be found in Appendix 1. The portfolio represents the Commonwealth interest in one company limited by guarantee—the National Accreditation Authority for Translators and Interpreters (NAATI) Limited.



**Figure 1: ORGANISATIONAL STRUCTURE as at 30 June 2005**

**Minister for Immigration and Multicultural and Indigenous Affairs:** Sen the Hon Amanda Vanstone  
**Minister for Citizenship and Multicultural Affairs:** The Hon Peter McGauran MP





**Figure 2: OUTCOME AND OUTPUT STRUCTURE as at 30 June 2005**

**WHOLE OF GOVERNMENT OUTCOME (DIMIA MISSION STATEMENT)**

*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*

**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

- 1.1.1 Economic entry (permanent)
- 1.1.2 Family entry (permanent)
- 1.1.3 Special eligibility
- 1.1.4 Visitors and Working Holiday Makers
- 1.1.5 Students
- 1.1.6 Temporary residents
- 1.1.7 Resident Return Visas, Australian Declaratory Visas and Certificates of Evidence of Resident Status

**OUTPUT 1.2**  
Refugee and humanitarian entry and stay

- 1.2.1 Offshore humanitarian program
- 1.2.2 Protection visa (onshore)

**OUTPUT 1.3**  
Enforcement of immigration law

- 1.3.1 Regulate entry and departure
- 1.3.2 Prevent unlawful entry
- 1.3.3 Detection onshore
- 1.3.4 Removals
- 1.3.5 Detention
- 1.3.6 Litigation

**OUTPUT 1.4**  
Safe Haven

**OUTPUT 1.5**  
Offshore asylum seeker management

- 1.5.1 Other countries
- 1.5.2 Offshore territories

**OUTCOME 2. A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably**

**OUTPUT 2.1**  
Settlement services

- 2.1.1 Settlement Planning and Information Delivery
- 2.1.2 Humanitarian Settlement Services
- 2.1.3 Support for community services
- 2.1.4 AMEP administration
- 2.1.5 Fee-free Translating and Interpreting Services

**OUTPUT 2.2**  
Translating and interpreting services

- 2.2.1 Document translating
- 2.2.2 Telephone interpreting
- 2.2.3 On-site interpreting

**OUTPUT 2.3**  
Australian citizenship

- 2.3.1 Decisions on citizenship status
- 2.3.2 Promotion of the value of Australian citizenship

**OUTPUT 2.4**  
Promoting the benefits of cultural diversity

**OUTCOME 3:** Sound and well-coordinated policies, programs and decision-making processes in relation to Indigenous affairs and reconciliation

**OUTPUT 3.1**  
Indigenous policy

**OUTCOME 4:** 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

**OUTPUT 4.1**  
Policy and advocacy

**OUTPUT 4.2**  
Evaluation and audit

**OUTPUT 4.3**  
Home loans

**OUTCOME 5:** Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander peoples

**OUTPUT 5.1**  
Promotion of cultural authority

5.1.1 Advocacy support  
5.1.2 Ministerial services  
5.1.3 Broadcasting services  
5.1.4 Maintenance & promotion of Indigenous arts and cultures  
5.1.5 Maintenance & promotion of Indigenous language & records  
5.1.6 Maintenance & protection of Indigenous heritage & the environment  
5.1.7 Access to effective family tracing & reunion services  
5.1.8 Authority—CDEP activities  
5.1.9 Repatriation

**OUTPUT 5.2**  
Advancement of Indigenous rights and equity

5.2.1 Advocacy support  
5.2.2 Ministerial services  
5.2.3 Professional services to native title claimants  
5.2.4 Advancement of rights to land & sea  
5.2.5 Rights of Indigenous Australians  
5.2.6 Aboriginal & Torres Strait Islander Women  
5.2.7 Public information  
5.2.8 Torres Strait Islanders on the mainland  
5.2.9 International issues

**OUTPUT 5.3**  
Improvement to social and physical wellbeing

5.3.1 Advocacy support  
5.3.2 Ministerial services  
5.3.3 Community housing & infrastructure  
5.3.4 Municipal services  
5.3.5 Sporting opportunities for Indigenous people  
5.3.6 Legal aid  
5.3.7 Law & justice advocacy  
5.3.8 Family violence  
5.3.9 Prevention, diversion and rehabilitation  
5.3.10 Improvement to social & physical wellbeing—CDEP activities

**OUTPUT 5.4**  
Economic development

5.4.1 Advocacy support  
5.4.2 Ministerial services  
5.4.3 Business development and assistance  
5.4.4 Employment and training  
5.4.5 Economic development—CDEP activities

Note: Underlining indicates departmental outputs that are associated with administered functions that were transferred to other agencies via the Administrative Arrangements Orders dated 24 June 2004.

**OUTPUT 5.5**  
Capacity building and quality assurance

5.5.1 Advocacy support  
5.5.2 Ministerial services  
5.5.3 Planning & partnership development  
5.5.4 Incorporation, regulation and building capacity of Indigenous corporations  
5.5.5 Welfare reform—participation

**Major internal products** Human Resource Services, Financial Services, Parliamentary and Legal Services, Information Technology, Internal Investigations, Property, Office Services

## SUMMARY OF FINANCIAL PERFORMANCE

In 2003–04, a review of the department's business processes and costs was undertaken jointly by the department and the Department of Finance and Administration, assisted by an independent efficiency expert. This review determined an appropriate funding model and level for the department and was implemented in 2004–05. Previously 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.

The end-of-year results for the department in 2004–05 show an operating surplus of \$11.4 million, against a budgeted loss of \$2.4 million. The factors contributing to this profit include a \$17.2 million profit against Aboriginal and Torres Strait Islander Services (ATSIS)/Aboriginal and Torres Strait Islander Commission (ATSIC) activities and a \$7.1 million profit relating to non-quarantined funding in respect of Outcomes 1, 2 and 3. These are offset by a \$12.9 million loss relating to quarantined funding, which is essentially those areas of immigration and multicultural affairs operations which are volatile and difficult to predict.

There were two significant factors impacting on the department's financial outcome for 2004–05:

- There were no unauthorised boat arrivals in 2004–05. This has resulted in a \$64 million net reduction to expenses relative to budget (\$45 million against Outcome 1 Administered Expenses and \$19 million against departmental outputs—Output 1.5).
- The proclamation of the *ATSIC Amendment Act 2005* on 24 March 2005 transferred the operations of ATSIC to a range of Commonwealth government agencies including the department. The items that the department received included the following: the Land Fund and Aboriginal Benefits account; ATSIC cash, fixed assets and trust accounts; and any residual assets and liabilities not otherwise specified in the *ATSIC Amendment Act 2005*. At the time of budget, it was anticipated that the department would be responsible for this outcome with the abolition of ATSIC by legislation effective 1 July 2004 rather than the actual date of 24 March 2005. As a consequence, Outcome 4 is significantly below budget for 2004–05.

Going forward, Outcomes 3, 4 and 5 will be combined into Outcome 3 from 2005–06.

### Developments since the end of the financial year

From 1 July 2004 to 23 March 2005, the Aboriginal and Torres Strait Islander Services (ATSIS) continued as an executive agency and provided support to ATSIC. The continuation of ATSIS enabled the ongoing use of ATSIC assets by the Commonwealth pending the passing of the Aboriginal and Torres Strait Islander Commission Amendment Bill 2004, into legislation.

With the commencement of the *ATSIC Amendment Act 2005*, ongoing support for ATSIC was no longer required. In addition, the assets of ATSIC were transferred to other agencies of the Commonwealth. All remaining staff of ATSIS were transferred to other Commonwealth agencies. Therefore, there was no ongoing need to retain ATSIS as an executive agency. ATSIS was therefore abolished and de-prescribed under the *Financial Management and Accountability Act 1997* on 1 July 2005.

In the same way the residual assets and liabilities of ATSIC were vested in the department on behalf of the Commonwealth, the residual assets and liabilities of ATSIS were transferred to the department. Arrangements are in place for the department to meet the residual financial obligations of ATSIS.

No contingent matters arose as a consequence of the abolition of ATSIS.

Figure 3: Resource summary

	Budget <sup>(a)</sup> 2004–05 \$'000s	Actual 2004–05 \$'000s	Budget 2005–06 \$'000s
<b>Outcome 1—Lawful and orderly entry and stay of people</b>			
Administered Expenses— (including third party outputs) <sup>(b)</sup>	146 824	96 378	116 718
Total Administered Expenses	146 824	96 378	116 718
Departmental Expenses <sup>(c)</sup>			
Output 1.1: Non-humanitarian entry and stay	308 834	321 112	333 594
Output 1.2: Refugee and humanitarian entry and stay	64 722	60 025	61 434
Output 1.3: Enforcement of immigration law	318 622	340 619	376 021
Output 1.4: Safe Haven	300	388	307
Output 1.5: Offshore asylum seeker management	45 330	26 655	53 456
Total Outcome 1	737 808	748 799	824 812
Revenue from Government (Appropriation) for Departmental Outputs	715 200	714 431	795 734
Revenue from Other Sources	22 608	32 076	29 078
Total Price of Outputs	737 808	746 507	824 812
Total for Outcome 1 (Total Price of Outputs & Administered Expenses)	884 632	842 885	941 530
		<b>2004–05</b>	<b>2005–06</b>
Average Staffing Levels		4 348	4 483

Figure 3: Resource summary *continued*

	Budget <sup>(a)</sup> 2004–05 \$'000s	Actual 2004–05 \$'000s	Budget 2005–06 \$'000s
<b>Outcome 2—A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably</b>			
Administered Expenses—(including third party outputs)	172 836	152 175	180 896
Total Administered Expenses	172 836	152 175	180 896
Departmental Expenses			
Output 2.1: Settlement services	82 170	78 162	89 501
Output 2.2: Translating and interpreting services	12 886	11 240	13 991
Output 2.3: Australian citizenship	26 515	29 499	27 516
Output 2.4: Promoting the benefits of cultural diversity	10 590	16 285	10 407
Total Outcome 2	132 161	135 186	141 415
Revenue from Government (Appropriation) for Departmental Outputs	116 899	117 691	126 743
Revenue from Other Sources	15 262	13 100	14 672
Total Price of Outputs	132 161	130 791	141 415
Total for Outcome 2 (Total Price of Outputs & Administered Expenses)	304 997	282 966	322 311
		<b>2004–05</b>	<b>2005–06</b>
Average Staffing Levels		876	747
<b>Outcome 3—Sound and well-coordinated policies, programs and decision-making processes in relation to indigenous affairs and reconciliation<sup>(d)</sup></b>			
Administered Expenses—(including third party outputs)	5 615	4 320	440 423
Total Administered Expenses	5 615	4 320	440 423
Departmental Expenses			
Output 3.1: Sound and well-coordinated policies, programs and decision-making processes in relation to indigenous affairs and reconciliation	5 934	5 359	–
Output 3.1: Whole-of-government coordination and collaboration in policy development and service delivery for Indigenous people	–	–	78 219
Output 3.2: Services to Indigenous Australians	–	–	19 202
Total Outcome 3	5 934	5 359	97 421
Revenue from Government (Appropriation) for Departmental Outputs	5 815	5 792	82 713
Revenue from Other Sources	119	439	14 708
Total Price of Outputs	5 934	6 231	97 421
Total for Outcome 3 (Total Price of Outputs & Administered Expenses)	11 549	10 551	537 844
		<b>2004–05</b>	<b>2005–06</b>
Average Staffing Levels		43	517

Figure 3: Resource summary *continued*

	Budget <sup>(a)</sup> 2004–05 \$'000s	Actual 2004–05 \$'000s	Budget 2005–06 \$'000s
<b>Outcome 4—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<sup>(d)</sup></b>			
Administered Expenses—(including third party outputs)	523 837	328 954	–
Total Administered Expenses	523 837	328 954	–
Departmental Expenses			
Output 4.1: Policy and Advocacy	19 509	4 333	–
Output 4.2: Evaluation & Audit	293	–	–
Output 4.3: Home Loans	17 368	–	–
Total Outcome 4	37 170	4 333	–
Revenue from Government (Appropriation) for Departmental Outputs	9 490	9 490	–
Revenue from Other Sources	27 680	–	–
Total Price of Outputs	37 170	9 490	–
Total for Outcome 4 (Total Price of Outputs & Administered Expenses)	561 007	338 444	–
		<b>2004–05</b>	<b>2005–06</b>
Average Staffing Levels		8	–
<b>Outcome 5—Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander peoples<sup>(d)</sup></b>			
Administered Expenses—(including third party outputs)	368 861	358 979	–
Total Administered Expenses	368 861	358 979	–
Departmental Expenses			
Output 5.1: Promotion of Cultural Authority	11 846	9 493	–
Output 5.2: Advancement of Indigenous Rights & Equity	12 067	12 759	–
Output 5.3: Improvement to Social & Physical Wellbeing	29 411	25 049	–
Output 5.4: Economic Development	33 994	30 443	–
Output 5.5: Capacity Building & Quality Assurance	15 225	17 172	–
Total Outcome 5	102 544	94 916	–
Revenue from Government (Appropriation) for Departmental Outputs	99 598	99 598	–
Revenue from Other Sources	2 946	7 423	–
Total Price of Outputs	102 544	107 021	–
Total for Outcome 5 (Total Price of Outputs & Administered Expenses)	471 405	466 000	–
		<b>2004–05</b>	<b>2005–06</b>
Average Staffing Levels		531	–

(a) Full year budget including additional estimates, and section 32 adjustments.

(b) Includes bad debts write-off of \$38.6m in 2004–05 budget (actual \$30.6m).

(c) Total revenue from government and other sources represents budget amounts for departmental expenses.

(d) Outcomes 3,4 & 5 in 2005–06 have been combined into Outcome 3.





**PART 2** Report on performance



## Performance indicator index

The following figure provides a quick reference between the results published here and the relevant performance indicator in the 2004–05 Portfolio Budget Statements.

Figure 4: Performance indicator index

Outputs	2004–05 PBS/PAES page reference	2004–05 annual report page reference
<b>Outcome 1 Administered Items</b>	PBS 95–96 PAES 48	143–164
Output Group 1.1—Non-Humanitarian Entry and Stay	PBS 97–103 PAES 48–50	33–83
Output Group 1.2—Refugee and Humanitarian Entry and Stay	PBS 104 PAES 50	84–97
Output Group 1.3—Enforcement of Immigration Law	PBS 104–106 PAES 50	98–136
Output Group 1.4—Safe Haven	PBS 106	137
Output Group 1.5—Offshore Asylum Seeker Management	PBS 106	138–142
<b>Outcome 2 Administered Items</b>	PBS 124–125 PAES 56	211–228
Output Group 2.1—Settlement Services	PBS 125–126 PAES 56–57	169–186
Output Group 2.2—Translating and Interpreting Service	PBS 127 PAES 57	187–192
Output Group 2.3—Australian Citizenship	PBS 128 PAES 58	193–201
Output Group 2.4—Promoting the Benefits of Cultural Diversity	PBS 129	202–210
<b>Outcome 3 Administered Items</b>	PBS 140 PAES 61	250–254
Output Group 3.1—Indigenous Policy	PBS140 PAES 61	241–249

Figure 4: Performance indicator index *continued*

Outputs	2004–05 PBS/PAES page reference	2004–05 annual report page reference
<b>Outcome 4 Administered items</b>	PBS 147 PAES 63	257–291
Output Group 4.1—Policy and Advocacy	PBS 148 PAES 63	255
Output Group 4.2—Evaluation and Audit	PBS 148 PAES 63	255
Output Group 4.3—Home Loans	PBS 148 PAES 63	255
<b>Outcome 5 Administered Items</b>	PBS 166–175	372–378
Output Group 5.1—Promotion of Cultural Authority	PBS 176 PAES 66	294–295
Output Group 5.2—Advancement of Indigenous Rights and Equity	PBS 176 PAES 66	296–308
Output group 5.3—Improvement to Social and Physical Wellbeing	PBS 176 PAES 66	292
Output Group 5.4—Economic Development	PBS 177 PAES 66	292
Output Group 5.5—Capacity Building and Quality Assurance	PBS 178 PAES 66	309–371

# 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) 2004–05 and on pages 22–23 of this report.

The department has five outcomes:

- Outcome 1—Contributing to Australia’s society and its economic advancement through the lawful and orderly entry and stay of people
- Outcome 2—A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably
- Outcome 3—Sound and well-coordinated policies, programs and decision-making processes in relation to Indigenous affairs and reconciliation
- Outcome 4—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
- Outcome 5—Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander peoples.

These outcomes are the results, impacts or consequences of actions by the department on the Australian community. The outcomes are expressed in relatively broad, societal terms. While the department is the primary driver of the first two outcomes, we work closely with other agencies, especially to progress Outcomes 3 to 5. 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 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.

The structure of this report is similar to last year. It seeks to improve readability by ensuring a clear relationship between planned achievements detailed in the PBS/PAES and the actual results achieved. We have tried 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, this is more difficult than others, but it is an ongoing focus for improvement.

## Outcome 1

Outcome 1 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:

- Non-Humanitarian Entry and Stay
- Refugee and Humanitarian Entry and Stay
- Enforcement of Immigration Law
- Safe Haven
- 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.

## Outcome 1—Effectiveness measures and results

Figure 5: Outcome 1—Effectiveness measures and results

MEASURES	RESULTS
<b>The extent to which Australia is economically, socially and culturally enriched by migration and temporary entry</b>	
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 the continuation of the current Migration Program compared with no program will 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 budget from immigration including long-term entry as measured by models of the impact of immigration on the Commonwealth budget.	Modelling by Access Economics estimates that the Australian Government Budget could conservatively gain around \$2 billion over four years or \$6 billion over 10 years (in 2004–05 prices) from the 2004–05 Migration Program alone. If the Program was continued at the 2004–05 level, the cumulative benefit could be around \$4 billion over four years, and \$31 billion over ten years.  For every 1000 long-term temporary business entrants, Access Economics estimates the Australian Government Budget nets around \$55.9 million over four years.
The extent to which migrants help to address skill shortages as measured by the percentage of skill stream principal applicants with an occupation with above average job prospects as indicated in the job survey reports produced by the Department of Employment and Workplace Relations (DEWR).	Around 81 per cent of skilled migrants arriving in 2004–05 were either managers and administrators, professionals or associate professionals. According to the DEWR <i>Australian Jobs Update</i> , persons in these occupational groups have ‘Good’ or ‘Very Good’ future job prospects.



Figure 5: Outcome 1—Effectiveness measures and results *continued*

MEASURES	RESULTS
<p>The extent to which migrants living in regional Australia are participating in the labour force, helping to address local skill shortages and intending to stay in the regions as measured by relevant surveys.</p>	<p>Surveys conducted in 2004 of migrants who came into Australia through the Skilled Designated Area Sponsored Scheme (SDAS) and the Regional Sponsored Migration Scheme (RSMS) indicate that these schemes are succeeding in attracting skilled migrants who integrate well into the Australian labour market. For the SDAS, the unemployment rate for principal applicants was 5 per cent and the participation rate was 89 per cent. Some 71 per cent of principal applicants used their qualification often or very often. For the RSMS, unemployment rates were less than 1 per cent, participation rates were more than 99 per cent, and 95 per cent used their qualifications often or very often in their job.</p> <p>The majority of these migrants are staying in designated areas—85 per cent of SDAS and 91 per cent of RSMS principal applicants surveyed were living in designated areas.</p>
<p>The extent to which the labour market and income outcomes of recent migrants to Australia compare with those of other countries as measured by comparative studies of migrant policies and outcomes.</p>	<p>Comparison of data from the Longitudinal Survey of Immigrants to Australia (LSIA) with the Longitudinal Survey of Immigrants to Canada (LSIC) showed that the labour market outcomes of Australia's recent migrants were superior. After 6 months in the country, only 44 per cent of Canada's recent migrants were employed compared with 50 per cent for Australia.</p> <p>Average earnings for recent migrants to both countries are comparable. For both countries, skilled principal applicants are earning about 65 per cent of average weekly earnings six months after arrival. After a further 12 months, the incomes of skilled principal applicants in Australia had risen to about 85–90 per cent of the Australian average.</p>
<p>The extent to which those former students who have gained a skilled visa are employed and are earning above average incomes for their field of study as measured by relevant surveys and the Graduate Destination report produced by the Graduate Careers Council of Australia.</p>	<p>The 2004 departmental survey of former overseas students showed that those graduating with a Bachelor degree who had been permanent residents for less than 12 months had an unemployment rate of 16 per cent. (Initially, former overseas students may be affected by not having permanent residence at the time when companies are recruiting new graduates.) This fell to 6 per cent for those that had been permanent residents for 2 years or more. This latter outcome is comparable with the 7 per cent unemployment rate for skilled independent migrants who had been in Australia for around 18 months when surveyed in Cohort 2 of the LSIA.</p> <p>The departmental survey of former overseas students also showed that Bachelor degree graduates aged less than 25 who had been permanent residents for less than 12 months had full-time median earnings of \$34 000 pa.</p> <p>In comparison, the 2003 Graduate Destination Survey showed that recent Bachelor degree graduates had an unemployment rate of 8 per cent and those aged less than 25 and working full-time had median earnings of \$37 000 pa.</p>

Figure 5: Outcome 1—Effectiveness measures and results *continued*

MEASURES	RESULTS
The extent to which convergence in the unemployment rates of migrants from English-speaking countries, non-English speaking countries and Australian-born, is maximised.	Unemployment rates for all three groups have been converging in recent years. Over the year to March 2005 compared with the year to March 2004, this convergence continued. The average monthly unemployment rate for migrants born in other than mainly English speaking countries was only 0.85 percentage points higher than the Australian-born unemployment rate, compared with 1.59 percentage points in the previous year. Unemployment rates for migrants born in mainly English speaking countries have remained lower than for the Australian-born over the same period but the difference is a little smaller (0.3 percentage points). All groups reduced their unemployment rates.
Extent to which visiting overseas students and tourists support sustainable growth in education and tourism service industries.	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. International education peak bodies are actively engaged in policy development.  The approval rates for visitor applications continue to increase. The non-return rate for visitors is now at an historically low rate (1.22 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.
Diversity of nationalities as measured by the number of countries with more than 100 visas under the Migration and Humanitarian Programs.	The 2004–05 Migration Program outcome of 120 060 included more than 70 citizenships with more than 100 migrants. This is consistent with 2003–04. The top five citizenships as a percentage of the program were United Kingdom (21.6 per cent), People’s Republic of China (11.6 per cent), India (9.8 per cent), Republic of South Africa (4.0 per cent) and the Philippines (3.8 per cent).
Extent to which the settlement of skill stream migrants matches the needs of each state/territory as measured by the percentage of skill stream taken up by state-specific and regional migration programs.	The total Skill Stream outcome for 2004–05 was 77 880. Of these 18 700 places were taken up by state-specific and regional migration mechanisms. This take-up rate represents 24 per cent of the Skill Stream.

Figure 5: Outcome 1—Effectiveness measures and results *continued*

MEASURES	RESULTS
<b>The extent to which there is adherence to Australian entry and stay requirements</b>	
Non-return rate for visitors relative to the approval rate for visitor applications.	<p>The non-return rate in 2004–05 was 1.22 per cent (1.47 per cent in 2003–04).</p> <p>The approval rate was 98.5 per cent (98.4 per cent in 2003–04).</p>
Proportion of visitor and other temporary entrants who apply for a protection visa.	<p>The proportion of visitor visa holders applying for protection visas after they arrived in Australia decreased to 0.06 per cent in 2004–05 (from 0.07 per cent in 2003–04).</p>
Decrease in unauthorised arrivals over time in the context of passenger movements.	<p>The 2004–05 financial year has seen a slight increase in the proportion of air arrivals refused immigration clearance. Air arrivals refused immigration clearance was 0.0156 per cent of total passenger air movements in 2004–05 and 0.0133 per cent in 2003–04.</p> <p>The most common reason for refusal at airports in 2004–05 was an adverse bona-fides assessment (62 per cent). An example of this is where a person demonstrates an intention to act in breach of the conditions specified in their visa, such as an intention to work.</p> <p>The level of undocumented passengers refused immigration clearance almost halved from the 7 per cent recorded in 2003–04 to 4 per cent in 2004–05. This reflected in part that some 98 per cent of people were subject to Advanced Passenger Processing.</p> <p>The increase in air arrivals refused immigration clearance resulted from a number of factors including sophisticated fraud detection measures, the pre-arrival assessment of passengers and an increase in total passenger arrivals.</p>

Figure 5: Outcome 1—Effectiveness measures and results *continued*

MEASURES	RESULTS																																																
<b>The extent to which public health and safety is protected through immigration screening</b>																																																	
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>The table below demonstrates Australia's low rate of incidence of tuberculosis (TB) compared to the size of the overseas born population. This indicates the success of Australia's health screening procedures for prospective migrants.</p> <table border="1"> <thead> <tr> <th>Country</th> <th>Population* (000's)</th> <th>O/S Born** population (per cent)</th> <th>TB cases*** reported</th> <th>TB Rate*** (cases per 100 000)</th> <th>TB cases as a per cent of O/S born population</th> </tr> </thead> <tbody> <tr> <td>Australia</td> <td>19 881</td> <td>23.0</td> <td>982</td> <td>5</td> <td>0.021</td> </tr> <tr> <td>Canada</td> <td>31 630</td> <td>19.3</td> <td>1 611</td> <td>5</td> <td>0.026</td> </tr> <tr> <td>France</td> <td>59 768</td> <td>10.0</td> <td>6 350</td> <td>10</td> <td>0.106</td> </tr> <tr> <td>Germany</td> <td>82 502</td> <td>12.5</td> <td>7 184</td> <td>8</td> <td>0.069</td> </tr> <tr> <td>Sweden</td> <td>8 958</td> <td>12.0</td> <td>410</td> <td>4</td> <td>0.038</td> </tr> <tr> <td>UK</td> <td>59 554</td> <td>8.3</td> <td>7 334</td> <td>11</td> <td>0.148</td> </tr> <tr> <td>US</td> <td>291 049</td> <td>12.3</td> <td>14 874</td> <td>5</td> <td>0.041</td> </tr> </tbody> </table> <p>Sources:  * OECD: Quarterly Labour Force Statistics, 2004:  <a href="http://www.oecd.org/dataoecd/62/38/2698549.pdf">http://www.oecd.org/dataoecd/62/38/2698549.pdf</a>  ** OECD: Counting Immigrants and Expatriates in OECD Countries: A New Perspective, June 2005:  <a href="http://www.oecd.org/dataoecd/34/59/35043046.pdf">http://www.oecd.org/dataoecd/34/59/35043046.pdf</a>.  *** WHO Report 2005: Global Tuberculosis Control</p>	Country	Population* (000's)	O/S Born** population (per cent)	TB cases*** reported	TB Rate*** (cases per 100 000)	TB cases as a per cent of O/S born population	Australia	19 881	23.0	982	5	0.021	Canada	31 630	19.3	1 611	5	0.026	France	59 768	10.0	6 350	10	0.106	Germany	82 502	12.5	7 184	8	0.069	Sweden	8 958	12.0	410	4	0.038	UK	59 554	8.3	7 334	11	0.148	US	291 049	12.3	14 874	5	0.041
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<b>The extent to which humanitarian migration to Australia is administered in line with Government planning levels</b>																																																	
Extent to which the number of humanitarian visas granted is in line with government planning levels.	<p>13 178 visas were granted against a planned program of 13 000 new places and nominal available places of 12 389*; 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>5498</td> <td>5511</td> </tr> <tr> <td>Special Humanitarian Program</td> <td>6091</td> <td>6755</td> </tr> <tr> <td>Protection</td> <td>800</td> <td>895</td> </tr> <tr> <td>Temporary Humanitarian Concern</td> <td>–</td> <td>17</td> </tr> </tbody> </table> <p>* Humanitarian Program places can be managed flexibly across program years with places able to be carried over to or brought forward from the next program year. From 2005–06, 789 places were brought forward to meet demand for cases ready for finalisation. This included 13 refugee places. Of the 6000 new refugee places for 2004–05, 559 places were utilised in 2003–04 with the remainder utilised in 2004–05.</p>	Category	Available places	Visa grant	Refugee	5498	5511	Special Humanitarian Program	6091	6755	Protection	800	895	Temporary Humanitarian Concern	–	17																																	
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Figure 5: Outcome 1—Effectiveness measures and results *continued*

MEASURES	RESULTS
<b>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</b>	
<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 forums and effectiveness of implementation of domestic protection legislation.</p>	<p>Australia continued to play a major role in key international forums in promoting practical solutions to international protection problems and in seeking solutions for refugees that support managed humanitarian movement where possible.</p> <p>Australia was represented at senior official level at the Executive Committee of the United Nations High Commissioner for Refugees (UNHCR), in bilateral dialogue on these issues with like-minded countries and with the European Commission (EC). 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 (APC) on Refugees, Displaced Persons and Migrants.</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>

## Output 1.1—Non-humanitarian entry and stay

### HIGHLIGHTS

#### Global Working advances

During 2004–05 Global Working arrangements, which involve the transfer of certain aspects of visa processing from the department’s overseas offices to specialised centres in Australia, were extended.

Applications for sponsored employment visa categories, including Employer Nomination Scheme, Regional Sponsored Migration Scheme and Labour Agreement, from people overseas, are now sent by Australian Sponsors to business centres in each state and territory office for processing. This makes communication with sponsors of overseas skilled migrants easier, and ensures greater responsiveness to the needs of Australian business.

Sponsored Family Visitor visas are now also lodged and processed in all state and territory offices. To raise awareness of the visa and its potential to allow more visitors to come to Australia under guarantees from their family members in Australia, the department held consultations with community leaders around Australia.

Special Program visas, which facilitate the entry of generally young people into a range of community-based programs, are now processed in the department’s Hobart office.

Further, IT systems and functions were introduced in July 2004 to support Global Working. These allow our staff anywhere in the world to access information alerting decision-makers to applications that may present a higher risk and need further checking. Communication between our offices in Australia and overseas related to these checks is facilitated by the electronic protocols that also allow data to be collected for reporting and monitoring of fraud and other trends.

These new systems and functions have been important in supporting the redesign of business processes for visas applied for over the Internet, or e-Visas. During 2004–05 we piloted a new student e-Visa for students from China, India and Thailand. The facility for people intending a short visit to Australia to apply for their visa over the Internet was extended to a range of countries belonging to the European Union, as well as to three new countries in the Arabian Gulf.

In April 2005, people applying for a Temporary Medical Practitioner visa could do so electronically, using the existing temporary business visa facility. This has made visa processes more convenient and accessible for much-needed qualified medical professionals.

New functions were added to e-Visa products, including the facility for agents to lodge e-Visa applications on behalf of applicants. Agents can prepare applications offline and connect to the Internet to lodge them as a group. Documents can now be electronically attached to an increasing range of e-Visas.

The online health processing system piloted in Singapore last year has been extended to selected clinics in Japan, South Korea, Hong Kong, Taiwan, the UK and Germany. As part of the process, digital facial images are captured by panel doctors or radiologists and electronically attached to client records in the department's central database. These biometric images can be retrieved by visa processing officers to help verify a client's identity. We plan to extend this facility to other e-Visas and related products, which will greatly reduce the potential for identity fraud.

A pilot allowing students applying for a visa in Australia to pay their Visa Application Charge using Bpay was introduced in April 2005. This means that clients who do not have an international credit card can now use the e-Visa service. The number of clients choosing this service is small but steadily increasing.

### **Tourism and business visitors**

Tourism is worth more than \$17 billion a year to the Australian economy and makes an important contribution to Australia's export earnings. A number of new service delivery strategies provide a robust infrastructure for delivering 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 in Bahrain, Oman, Qatar and European Union new member state passport holders, 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 with key industry bodies and will continue to explore consultative arrangements that enhance Australia's appeal as a tourism destination.

### **International education**

The broad objectives of the Student Visa Program are to increase export revenue by promoting Australia's education services overseas, to develop trade and commercial links and to promote goodwill and understanding of Australia. According to the Department of Education, Science and Training, overseas students contribute around \$7.5 billion in national income annually. Education is Australia's third-largest service export after tourism and transportation and the sixth-largest overall in terms of goods and services. It directly and indirectly contributes about 48 000 jobs for Australians.

The department continues to engage international education peak bodies, other government agencies, education providers, student representative bodies and the migration and education advice industries in developing policy and improving service delivery.

We continue to reform service delivery through our Global Working strategies. There has been a significant increase in uptake of e-Visa for Assessment Level 1 students, signifying increasing confidence by clients with electronic service delivery options. All People's Republic of China (PRC) applications are now processed through the Adelaide Offshore Student Processing Centre (AOSPC), which has improved communication flows between providers and the department. Since 1 November 2004, students from PRC, India and Thailand have been able to lodge their student visa applications online through selected education agents who enter into an access agreement with us. These agents are subject to strict audit and performance measures to ensure quality and integrity.

Against this background there has been an increase in student visa grants (offshore grants increased by 1.27 per cent), with an all time record of 174 786 student visas granted to the end of June 2005. At the same time integrity has been maintained at a high standard, as improvements in non-compliance levels demonstrate.

Further improvements in non-compliance levels and increasing approval rates have facilitated a number of reductions to the student visa country/sector Assessment Levels (ALs). Effective from 1 April 2005, 18 countries across 63 education sectors had their AL reduced to a lower risk rating. Additionally, six countries which gained membership of the European Union had their AL reduced to a lower risk rating, effective from 1 November 2004. These reductions demonstrate the success of the risk assessment model for student visas, rewarding efforts by education providers and their agents to recruit genuine students and improve the quality of visa applications. It also reflects improvements in students' performance and compliance with visa conditions. This will help a number of markets grow and increase the diversity of the overseas student population in Australia, at a time of softening growth and intense competition.

### **Research on migration**

In 2004–05 a survey of Regional Sponsored Migration Scheme migrants who had entered Australia between January 2000 and December 2003 highlighted the outstanding results they achieved. Virtually all principal applicants were employed and a high proportion were still living and working in regional Australia. A similar survey of Skilled Designated Area Sponsored migrants also showed a high rate of employment. Some drift of these migrants away from their designated areas, however, informed the decision to make this a two-stage visa, the second stage being provisional on the migrants living and working in the designated area for at least two years. Research commissioned from Dr Bob Birrell found that Australia's brain gain of skilled workers increased by 12 per cent in 2003–04.

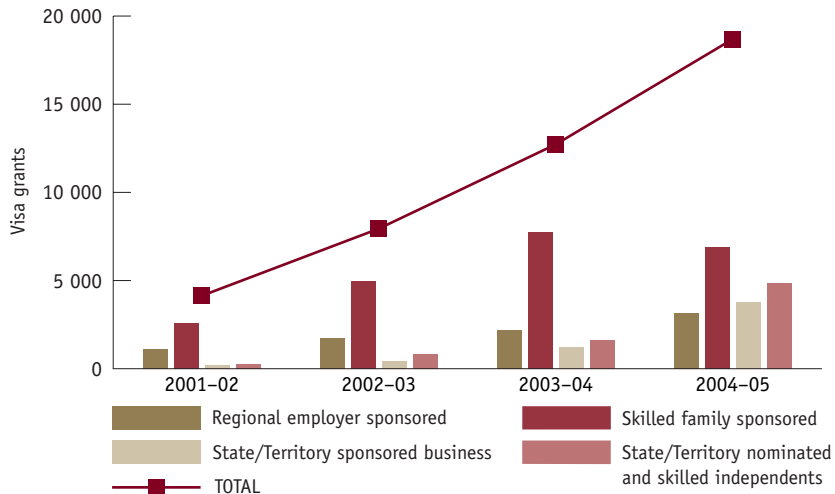


## State-specific and regional migration

The number of migrants sponsored by employers and by state and territory governments was the largest ever. The number of skilled migrants choosing to live and work in regional Australia reached an all time high in 2004–05. Around 18 700 visas were granted under the state-specific and regional migration mechanisms in 2004–05, a significant increase over the 12 720 granted in 2003–04. These migrants fill skill shortages in local communities across Australia.

The figure below shows the growth of state-specific and regional migration initiatives.

Figure 6: Australian total—State-specific and regional skilled migration



Source: DIMIA Migration Program.

The Australian Government has continued to work closely with state and territory and local governments to promote state-specific and regional migration initiatives through the Commonwealth State/Territory Working Party on Skilled Migration. A key mode of engagement with state and territory governments, regional authorities and regional employers has been through a network of departmental Regional Outreach Officers in each state and territory.

Introduced in 2004 to promote and support regional migration initiatives, the officers have been well received by regional employers and state and territory governments.

We expect visa grants under state-specific and regional migration initiatives categories to grow strongly in 2005–06, possibly to around one-third of the Skill Stream.

The new Skilled Independent Regional (SIR) visa, which began 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 earmarked 6500 SIR visa places in the 2005–06 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 to introduce 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 with other states to pursue their skill requirements and development objectives. This includes strengthening dedicated regional migration networks and expanding humanitarian settlement in some regional areas.

### 1.1.1 ECONOMIC ENTRY (PERMANENT)

Figure 7: Performance information—Economic entry (permanent)

MEASURES	2003–04	2004–05
<b>Quantity<sup>(1)</sup>:</b>		
37 265 onshore applications (persons) finalised.	28 360	33 188
57 420 offshore applications (persons) finalised.	59 094	62 450
5 485 nomination/sponsorship applications finalised.	5 884	6 711
<b>Quality:</b>		
Performance against Service Standards.	See Output Component 1.1.1 (p 78)	

(1) Applications processed in Taipei are not reflected in the applications (persons) finalised quantities.

#### Objectives

To:

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

#### Description

Figure 8 shows the broad categories of the Skill Stream and compares outcomes from 2004–05 to outcomes from 2003–04.

Figure 8: Migration Program Outcome

Category	2003–04	2004–05	per cent change
Employer Sponsored	10 400	13 020	25.2
Skilled Independent	38 720 <sup>(1)</sup>	41 180	6.4
State/Regional Sponsored	1 630 <sup>(1)</sup>	4 140	154.0
Skilled Australian Sponsored	14 590	14 530	–0.4
Distinguished Talent	230	190	–17.4
Business Skills	5 670	4 820	–15.0
1 November	10	0	–100.0
<b>Total</b>	<b>71 240</b>	<b>77 880</b>	<b>9.3</b>

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

The total outcome for 2004–05 was 77 880, an increase of 9.3 per cent, accounting for 65 per cent of the overall Migration Non-Humanitarian Program. The State/Regional sponsored category showed the largest growth with an increase of 154 per cent over the previous year's outcome.

(1) Figures have been changed to reflect grants for State and Territory Nominated Independent now counted against State/Regional Sponsored along with Skilled Independent—Regional.

Source: DIMIA Migration Program, MPMS and ICSE data.

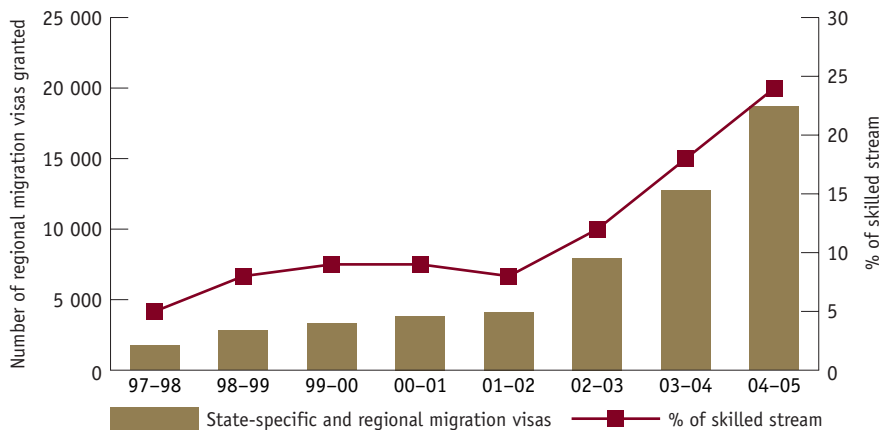
### Regional migration and skills shortages

State-specific and regional migration initiatives now account for 24 per cent of the Skill Stream of the Migration Program.

State-specific and regional migration mechanisms offer a range of avenues through which employers and state and territory governments can fill skill shortages that can not be filled locally. These mechanisms are highly targeted to address existing skill shortages and help in the development of local communities.

- 18 700 visas were issued in 2004–05, an increase of 47 per cent over the previous year (see Figure 9)
- Approximately 56 340 visas have been issued since 1996 under these mechanisms.

Figure 9: State-specific and regional migration visas, 1997–98 to 2004–05



Source: DIMIA Migration Program.

The distribution of these visas across the states and territories in 2003–04 and 2004–05 is shown in the figure below.

Figure 10: Migration Program Outcome—State-specific and regional migration

State/Territory	2003–04	2004–05	per cent change
New South Wales	860	1 300	51.2
Victoria	6 460	7 100	9.9
Queensland	1 480	2 410	62.8
South Australia	2 070	4 950	139.1
Western Australia	970	1 790	84.5
Tasmania	290	460	58.6
Northern Territory	150	160	6.7
Australian Capital Territory	440	530	20.5
<b>Total</b>	<b>12 720</b>	<b>18 700</b>	<b>47.0</b>

Source: DIMIA Migration Program.

The increase in people migrating to regional areas is expected to continue and will be encouraged through promotion of the state-specific and regional mechanisms to both Australian employers and to potential overseas applicants.

### Employer nomination/sponsorship

Significant changes were made to legislation and procedures for employers to sponsor skilled workers from overseas. The requirement that sponsors test the labour market by placing job advertisements in the press was replaced by minimum salary and minimum skill thresholds. The minimum skill level is set via a list of acceptable occupations for this visa. The list covers the major occupational groups of managers/administrators, professionals, associate professionals and tradespersons. The minimum salary level for this visa was set at \$39 100 (\$50 775 for Information and Communication Technology (ICT) professions). This is the same salary level for the temporary business visa (subclass 457).

Employer Nomination Scheme (ENS) visa applicants are required to show that they have the skills or qualifications for the approved position. They can do this by:

- having their qualifications assessed by the appointed assessing authority and having three years' post-qualified work experience
- having worked in Australia on a prescribed temporary visa for two years, including the last year with the sponsoring employer
- being nominated for a senior executive position that pays more than \$151 500.

All ENS and Regional Sponsored Migration Scheme (RSMS) sponsorship and visa applications are lodged in Australia. This simplifies communication with sponsoring employers, providing one point of contact with the nearest departmental office for the entire process.

### Analysis of performance

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.

As regional migration opportunities expand, further increases in the take-up of state-specific and regional migration initiatives are expected.

The 2005–06 Migration Program provides a total of 6500 places for the Skilled Independent Regional (SIR) visa. 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.

The Migration Occupations in Demand List (MODL) is a list of occupations in significant national shortage and provides for priority processing and additional points for the general skilled migration points test. In May 2005 an additional 17 occupations (mainly trades and engineering related) were included on the MODL. The MODL will be reviewed every six months to better reflect emerging labour shortages and further improve targeting.

*Gavin entered Australia on a temporary business (long stay) visa, and was then sponsored through the Regional Sponsored Migration Scheme (RSMS) by the Brighton Veterinary Hospital, his employer.*



## Gavin Newman

“The process is very detailed as you would expect, but it was very quick considering that,” he said.

One of the directors at the Brighton Veterinary Hospital, Gerry Dean, said that sponsoring Gavin had produced wonderful outcomes for the hospital.

“Gavin brings with him a gentle English demeanour and an outlook that has enriched the hospital,” he said.

“Customers love his accent, but more importantly the hospital has gained a valuable employee that it wasn’t able to fill from the local market,” he said.

The arrangement has been just as pleasing for Gavin and his family, who are considering staying in the area long term.

### Future commitments

To address the demands for more skilled migrants by many states and regions a number of initiatives will be implemented in 2005–06:

- an additional 10 points allocated to SIR visa applicants from 1 July 2005
- from 1 November 2005 Working Holiday and Occupational Trainee visa holders will be able to apply for a SIR visa while still in Australia if they are sponsored by a state or territory government or regional certifying body.

### Business establishment and investment

The Business Skills program provides economic benefits to Australia in terms of job creation, capital transfers and exports. The interests of state and territory governments have 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 specific areas. This linkage also encourages applicants who are more committed to succeeding in business in Australia.

In 2004–05, 90 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 1112 visa cancellations in 2004–05, where visa holders did not demonstrate an ownership interest or ongoing management role in an eligible business in Australia.

### Global Working

As skill shortages continued to affect the Australian labour market in 2004–05, it was essential that the department deliver an increased number of visas in the skill stream, especially in its regional categories.

This year a record number of general skilled migration visas were processed by the Adelaide Skills Processing Centre. This single centre now processes all applications for such visas worldwide, resulting in efficiencies through economies of scale and the more concentrated knowledge and expertise of staff.

Centralised processing enabled priority to be focussed on applications for regional migration visas which resulted in the highest number of visas ever delivered in these categories. This ensures that migrants with specific skills will be available to meet the needs of businesses and industries in areas outside Australia's larger metropolitan centres.



Business Skills visa applications this year were again processed in three centres: Perth, Taiwan and Hong Kong. These specialised centres have been able to develop expertise which has ensured higher quality decision-making in these more complex categories. There has been a reduction of the backlogs that existed before the current arrangements were put in place.

A key outcome of the global working arrangements is closer liaison with Australian sponsors and stakeholders. This was the main reason for the decision to transfer all processing of employer-nominated applications to Australia in April 2005. The category includes applications sponsored under the Regional Sponsored Migration Scheme. Applications from skilled workers are processed in the department's Business Centres in each state and territory, depending on where the employer has lodged their sponsorship.

Processing categories of visa applications in specialised centres has provided the opportunity for the department to develop greater policy knowledge and understanding of different caseloads. This has enabled criteria to be developed that deliver outcomes in Australia's best interests. This will be increasingly important while employers need to seek more skilled workers from overseas.

### 1.1.2 FAMILY ENTRY (PERMANENT)

Figure 11: Performance information—Family entry (permanent)

MEASURES	2003–04	2004–05
<b>Quantity<sup>(1)</sup>:</b>		
49 455 onshore applications (persons) finalised.	53 771	55 896
54 080 offshore applications (persons) finalised.	52 804	51 549
<b>Quality:</b>		
85 per cent of first stage offshore partner cases from non-ETA countries interviewed (either face to face or over the phone).	A survey of overseas posts in non-ETA countries confirmed that these standards are being maintained and in most cases are being exceeded. Those offices exceeding the standard are interviewing at least 90–95 per cent of cases.	
65 per cent of first stage offshore partner cases from ETA countries interviewed (either face to face or over the phone).	A survey of overseas posts in ETA countries confirmed that these standards are being maintained and in some cases are being exceeded.	
65 per cent of first stage onshore partner cases interviewed (either face to face or over the phone).	A survey of departmental state and territory offices confirmed that these standards are being maintained and in some cases are being exceeded.	
Number of cases actioned by Onshore Residence Bona Fides Units.	1183	1315
Performance against Service Standards.	See Output Component 1.1.2 (p 79)	

(1) Applications processed in Taipei are not reflected in the applications (persons) finalised quantities.

### Objectives

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

In support of these objectives, visas were granted in the following categories:

Figure 12: Migration Program Outcome—Family Stream

Category	2003–04	2004–05	per cent change
Partner	32 350	33 060	2.2
Parent*	4 930	4 500	-8.7
Child	2 660	2 490	-6.4
Other family	2 280	1 690	-25.9
<b>Total</b>	<b>42 230</b>	<b>41 740</b>	<b>-1.2</b>

\* Including 3500 grants in the contributory parent subclasses.

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

Source: DIMIA Migration Program, MPMS and ICSE data.

The outcome for these visa categories was 41 740 in 2004–05, down 1.2 per cent on 2003–04.

## Analysis of performance

### 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 2.2 months and overseas three months, significantly within the service standards (see Output Component 1.1.2 Service Standards page 79). We expect 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 1733 cases were referred to the BFUs and 1136 home visits were conducted. This is an increase of 17 per cent and 49 per cent respectively on the 2003–04 figures. Following BFU activity 1315 cases were finalised, 132 more than in 2003–04. Of these 23 per cent were refused by the BFU as the parties were not in a genuine relationship; 72 per cent were granted after establishing the bona fides of the relationship; five per cent resulted in the application being withdrawn.

### Parent visas

In 2004–05, the 1000 places available in the original parent category were filled. The contributory parent migration category came into effect on 27 June 2003. In that category there were 3500 visas granted in 2004–05. The parent category was capped in June 2005. In 2005–06, a total of 4500 places will be available; 1000 in the parent category and 3500 in the contributory parent category. Application rates in both categories increased significantly in 2004–05.

### 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 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.

### Global Working

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

Temporary child visa applications from onshore applicants are lodged and processed centrally at the department's Hobart office. This ensures consistency and focus on the special needs of these children. This temporary visa allows them to be included in their parent's application for grant of a permanent Partner visa. In 2004–05, 35 applications were lodged and 27 granted.

On 2 April 2005, new interactive versions of application and sponsorship forms for partner visas were released on the department's website. These online forms include a number of inbuilt information and help text features that assist applicants and sponsors to fill out their forms. The forms also generate personalised document

checklists to inform applicants and sponsors about the supporting documentation which must be lodged with their application. Applicants cannot yet lodge these online forms over the Internet. Once completed, the forms can be printed and lodged at one of our offices.

### 1.1.3 SPECIAL ELIGIBILITY

Figure 13: Performance information—Special eligibility

MEASURES	2003–04	2004–05
<b>Quantity<sup>(1)</sup>:</b>		
805 onshore applications (persons) finalised.	1119	639
245 offshore applications (persons) finalised.	179	256
<b>Quality:</b>		
Performance against Service Standards.	See Output Component 1.1.3 (p 80)	

(1) Applications processed in Taipei are not reflected in the applications (persons) finalised quantities.

#### Objectives

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 served in Australia's armed forces.

#### Description

In support of these objectives, visas were issued in the following categories:

Figure 14: Migration Program Outcome—Special Eligibility Stream

Category	2003–04	2004–05	per cent change
Resolution of Status Program (ROS)	330	123	-62.73
Close Ties & Former Resident	560	373	-33.39
<b>Total</b>	<b>890</b>	<b>496</b>	<b>-44.27</b>

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 temporary visas, often for long periods of time, to apply for permanent visas. Applications closed in October 1998. The process to gain permanent residence under the ROS program comprises two stages. Successful applicants were initially granted a temporary ROS visa.

Decisions on permanent visas 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 99 permanent ROS visas were granted during 2004–05. This is a finite caseload with 50 cases remaining to be finalised.

### Former Resident and Close Ties Visas

The Former Resident subclass caters for offshore applicants who spent nine out of their first 18 years in Australia as Australian 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, had close ties to Australia and spent their formative years in Australia.

### Global Working

Close Ties and Former Resident visa applications were repatriated on 1 November 2003 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 2004–05 the GPU granted 200 Close Ties and 173 Former Resident visas. A total of 494 Close Ties and 211 Former Resident visa applications were received, and 208 were refused.

### 1.1.4 VISITORS AND WORKING HOLIDAY MAKERS

Figure 15: Performance information—Visitors and working holiday makers

MEASURES	2003–04	2004–05
<b>Quantity<sup>(1)</sup>:</b>		
33 140 visitor onshore applications (persons) finalised.	33 977	31 912
690 895 visitor offshore applications (persons) finalised.	675 877	713 106
103 180 working holiday offshore applications (persons) finalised.	95 336	105 824
500 work and holiday offshore applications (persons) finalised. <sup>(2)</sup>	3	257
150 sanctions issued where there has been breach of visa and/or sponsorship conditions.	146 sponsors (relating to 184 Visitors)	161 sponsors (relating to 189 Visitors)
3 085 520 Electronic Travel Authority (ETA) applications (persons) finalised—electronically lodged.	2 731 021	2 811 068
77 045 Electronic Travel Authority (ETA) applications (persons) finalised—lodged at post.	75 476	78 545
<b>Quality:</b>		
Number of international event organisers assisted with entry of participants.	406	681
Number of enquiries assisted by the Family Visitor Network.	23 638	23 448
Percentage of visitor visa bonds refunded because visa conditions are met <sup>(3)</sup> .	98.40 per cent	98.62 per cent
The Approved Destination Scheme Visitors non-return rate from the People's Republic of China maintained at less than 0.5 per cent.	0.39 per cent	0.34 per cent
The non-return rate of visitors relative to the refusal rate continues to decline or remain low in historic terms <sup>(4)</sup> .	1.47 per cent	1.22 per cent
Percentage of visitors applying for protection visas after arrival remains below 0.2 per cent.	0.07 per cent	0.06 per cent
Overall take up rate of electronic working holiday maker applications greater than 90 per cent.	93.30 per cent	98.01 per cent
Number of working holiday maker arrangement countries.	16	19
Percentage of onshore visitor visa extensions lodged electronically that could have been lodged that way.	17.40 per cent	28.58 per cent
Performance against Service Standards.	See Output Component 1.1.4 (p 80)	

(1) Applications processed in Taipei are not reflected in the applications (persons) finalised quantities.

(2) The slow initial take-up for subclass 462 in 2003–04 is due to the ongoing need for refinement of processes and procedures.

(3) As measured by the number of bonds refunded as a percentage of the number of bonds eligible for consideration of refund in a Program Year.

(4) 2003–04 1.47 per cent, 2002–03 1.5 per cent, 2001–02 1.83 per cent.



## 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 objectives, visas are granted to offshore applicants in the following categories:

Figure 16: Visas granted to offshore applicants by categories

Categories	2003–04	2004–05	per cent variation
ETA Visitors (sc** 956 976, 977)	2 884 597	*2 969 903	+2.96
Tourist (Non-ETA) (sc** 676, 686)	415 999	429 723	+3.30
Business Visitors (Non-ETA) (sc** 456, 459)	147 706	174 724	+18.29
Sponsored Family Visitors (sc** 679)	9 567	10 655	+11.37
Medical Treatment (sc** 675, 685)	3 972	3 942	-0.76
Total Visitors Visas	3 461 841	3 588 947	+3.67
Working Holiday Makers and Work and Holiday visas (sc**417 462)	93 845	104 605	+11.47

\* Includes 2811 068 ETAs granted through the ETAs system.

\*\* sc = (visa) subclass.

Note: 'Offshore applicants' includes visas granted in repatriated visa caseloads (Subclasses 679 and 459).

Source: Outcomes Reporting Section, DIMIA.

In 2004–05, there were 3 588 947 visitor visas granted to offshore applicants, an increase of 3.67 per cent over 2003–04 and a 1.43 per cent increase over the Olympic year (2000–01), which previously had been the year for the highest number of visitor visa grants. This trend is expected to continue in 2005–06.

The highest numbers of offshore visitor visas were granted to people from:

Figure 17: Countries where highest numbers of offshore visas granted

The highest numbers of offshore visitor visas were granted to people from:	2003–04	2004–05
United Kingdom	647 611	655 271
Japan	634 629	642 994
United States of America	377 875	385 827
Republic of Korea	203 880	223 002
People's Republic of China	162 793	195 912
Singapore	142 448	148 502
Malaysia	147 340	138 688
Germany	133 540	136 407
Canada	89 911	97 354
France	90 873	93 982
Taiwan	88 662	88 870
Hong Kong	61 712	73 738

In 2004–05, 104 353 Working Holiday Maker (WHM) visas were granted, an increase of 11.2 per cent over 2003–04.

The main source countries for working holiday makers were:

Figure 18: Countries where highest numbers of WHM visas granted

The main source countries for WHM were:	2003–04	2004–05
United Kingdom	35 061	30 092
Republic of Korea	9 522	17 706
Ireland	12 260	12 585
Germany	9 700	10 646
Japan	9 943	9 975
Canada	6 517	6 656
France	1 607	4 550

*In Australia on a working holiday, Monique, 29, discovered her welding skills were badly needed by local employers struggling to meet demands in a growing economy.*



## Monique Kamsma

Applying for work, she was employed on the spot in Darwin by Universal Engineering NT managing director, Steve Tiley, who offered to sponsor her under the Australian Government's employer-sponsored migration program.

Surprised by the offer, Monique agreed to give it a go. She has become so fond of Australia she is considering making it home.

"I would love to live here permanently. There is lots of space and the weather is great. Everywhere I go in Australia there are advertisements for welders. I can't see myself going back to Holland," she said.

"I'm really happy that the employer-sponsored temporary entry program has given me the opportunity to become a first class welder and contribute to the Australian economy as well," she said.

## Analysis of performance

The number of visitor and working holiday maker visa grants in 2004–05 was the highest in six years.

The department 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 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 visitor visas granted, 82.75 per cent were Electronic Travel Authority (ETA) grants, the majority of which were issued through travel agents and airlines in 34 countries overseas or directly via the Internet. People not eligible for ETAs apply for visas either electronically over the Internet, through Reliable Business Partners or at Australian missions overseas.

### Visitor visas

In 2004–05 there were 3 588 947 visitor visa grants offshore, an increase of 3.67 per cent over the 2003–04 figure of 3 461 841. Of these, 2 969 903 were ETA grants, an increase of 2.96 per cent over the previous year's result of 2 884 597. The number of non-ETA grants was 619 044, an increase of 7.24 per cent over the 2003–04 figure of 577 244.

The overall approval rate for all offshore visitor visas increased to 98.5 per cent in 2004–05 from 98.4 per cent in 2003–04.

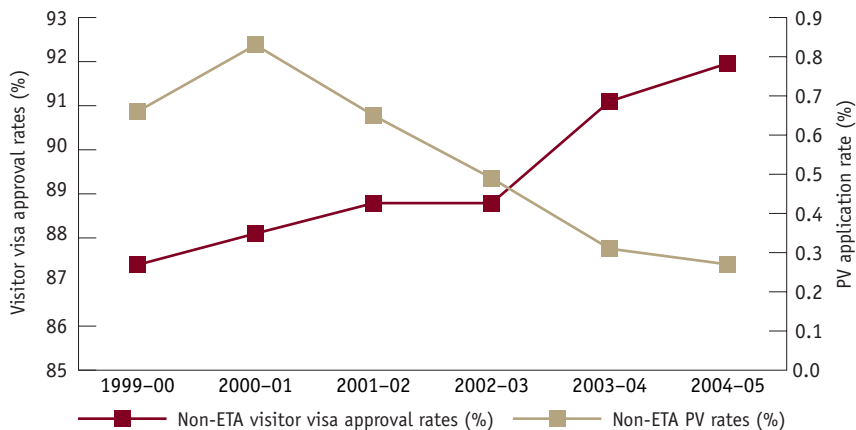
The approval rate for ETA applications in 2004–05 was 99.98 per cent, compared with 99.99 per cent in 2003–04. For non-ETA applications offshore, the approval rate was 91.96 per cent, compared with 91.10 per cent in 2003–04.

The proportion of visitor visa holders applying for protection visas after arriving in Australia decreased to 0.06 per cent in 2004–05 (from 0.07 per cent in 2003–04).

In 2004–05, 2236 persons who originally entered on visitor visas applied for protection visas in Australia, compared to 2382 in 2003–04.

Figures 19 and 20 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 19: Non-ETA visitor visa approval rates and protection visa application rates

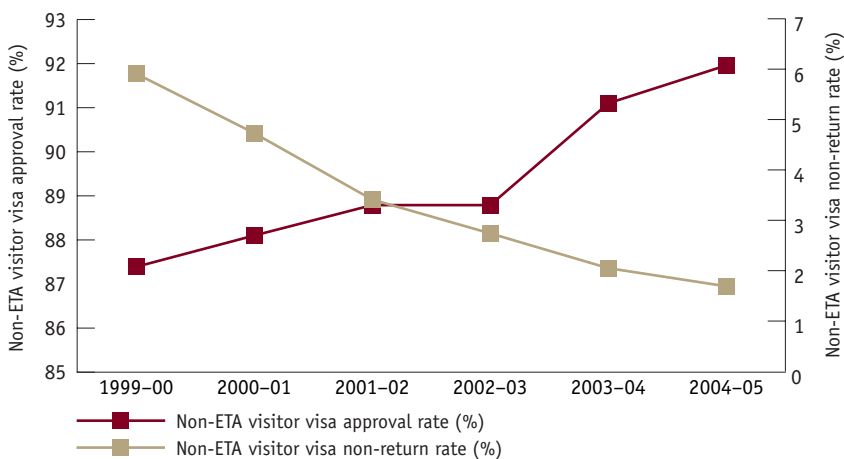


Note:

- (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 20: 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 the department's operations.

In 2004-05, 339 424 short stay business visitor visas were granted, a 13.58 per cent increase over the 2003-04 program year (298 835 visas). Of these, 164 700 (48.52 per cent) were granted to ETA business visitors and 174 724 (51.48 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.

Figure 21: Main source countries for short-stay business visitor visa grants

The main source countries for short-stay business visitors who were granted visas were:	2003–04	2004–05
People’s Republic of China (PRC)	62 163	78 495
United States of America	48 578	49 101
United Kingdom	25 663	27 183
Japan	17 937	19 845
India	15 029	18 018
Thailand	10 088	11 731
Indonesia	10 252	10 087
Singapore	9 037	9 718
Canada	7 853	9 441
Germany	7 778	9 418
Malaysia	7 309	7 812
France	7 178	7 048

### Sponsored family visitors

The Sponsored Family Visitor program allows Australian citizens and permanent residents to formally sponsor their relatives to visit Australia. In order to strengthen the integrity of this visitor program a security bond system has been introduced. This program has proved to be successful in allowing those applicants about whom there are some residual concerns to be granted a visa to visit family in Australia.

In 2004–05, 10 655 sponsored family visitor visas were granted, an 11.37 per cent increase over 2003–04. In 98.62 per cent of cases where a bond was requested, the visa holders met all visa conditions, including departing within the validity of the visa period, and the bond was refunded.

### Approved Destination Status

The Approved Destination Status (ADS) scheme allows for citizens of the People’s 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 ADS.

Overall, 45 083 tourists arrived in Australia under the ADS in the 2004–05 program year, compared with 32 528 in 2003–04. Since the inception of the ADS in August 1999, a total of 167 553 tourists have arrived on ADS visas. The ADS non-return rate in 2004–05 was 0.34 per cent compared to a global non-return rate of 1.22 per cent.

The ADS has been extremely successful in providing an avenue for large numbers of PRC tourists to visit Australia, while ensuring high levels of integrity and compliance with visa conditions.

Recent research by Tourism Australia indicates that 73 per cent of ADS travellers would recommend Australia as a holiday destination to family and friends, and 54 per cent would like to return for another holiday within five years. On both counts, Australia performs better than major European markets.

Until July 2004, the ADS was operating in three regions of the PRC: the Beijing and Shanghai Municipal Governments and Guangdong province. On 1 July 2004 the ADS was expanded to six new regions: Hebei, Tianjin, Shandong, Chongqing, Zhejiang and Jiangsu.

Twenty five new agents in these six new regions and 13 new agents in existing regions were gazetted to participate in the ADS from 30 June 2004, bringing the total number of participating agents to 77.

### **International Events Coordinator Network**

The International Events Coordinator Network (IECN) helps organisers of international events in Australia prepare for immigration-related requirements on behalf of their participants. In 2004–05, the IECN provided information on visa requirements and procedures for 681 events (compared with 406 events in 2003–04). It also acted 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. TVAG comprises representatives from Tourism Australia, the Australian Tourism and Export Council, Tourism and Transport forum, Qantas, the Board of Airline Representatives Australia, the Australian Hotels Association, state and territory tourism authorities and the Department of Industry, Tourism and Resources.

### **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 supports the Australian economy by providing supplementary labour for industries needing short-term casual workers.



In 2004–05, new working holiday arrangements were finalised with Taiwan and Estonia. Australia now has 19 reciprocal working holiday arrangements in effect.

There were 104 353 working holiday visas granted in 2004–05, an 11.2 per cent increase over 2003–04.

### Global Working

#### *Electronic lodgement of visitor visa applications*

In July 2004, the 'e-Visa' facility, for electronic lodgement of visitor visa applications (referred to as e676) was extended to the European Union accession countries (Czech Republic, Republic of Cyprus, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) and, in April 2005, to Bahrain, Qatar and Oman.

Applications are processed in the Hobart Global 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). 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 2004–05, 21.52 per cent of eligible subclass 676 applications were lodged electronically. The following nationalities had the highest electronic take-up rates:

- Estonia (92.08 per cent)
- Latvia (70.43 per cent)
- Lithuania (60.56 per cent)
- Slovenia (35.29 per cent)
- Czech Republic (32.93 per cent)
- Slovakia (29.03 per cent)
- Hungary (26.77 per cent).

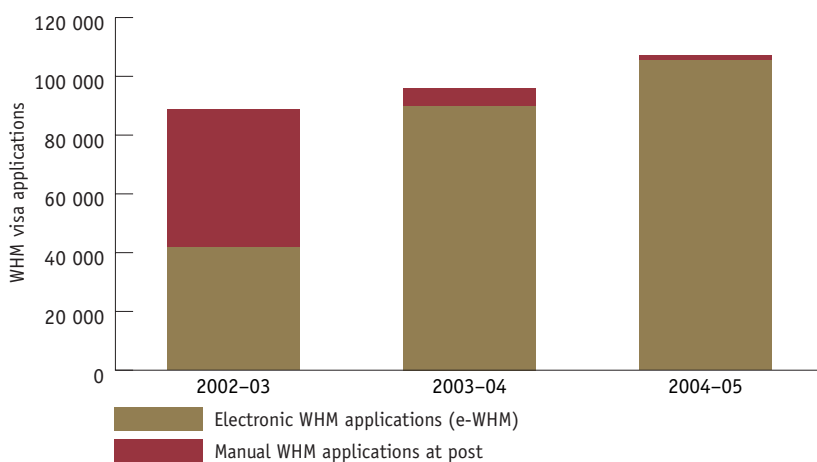
On 2 April 2005, following extensive community consultations, the processing of the sponsored family visitor visa caseload was repatriated to Australia and now allows a period of stay of up to 12 months (from the previous maximum of 3 months) in certain circumstances.

The electronic lodgement facility, made available to working holiday makers on 1 July 2002, has continued the consistent growth demonstrated in 2002–03 and 2003–04. The repatriation of processing for this category allows greater communication and liaison with Australian family sponsors, which helps processing as well as the sponsor's understanding of the visa process.

Of the 104,353 working holiday maker visas granted in 2004–05, 102 276 (98.01 per cent) were lodged electronically. 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 maker visas during 2004–05 is an important achievement, allowing for better client servicing and greater operational efficiency.

Figure 22 compares the number of working holiday maker visas granted in program years 2002–03 and 2003–04 with the number of visas granted during 2004–05, and highlights the underlying strengths of this program.

Figure 22: Take-up of e-WHM since July 2002



Source: Outcomes Reporting Section, DIMIA.

## 1.1.5 STUDENTS

Figure 23: Performance information—Students

MEASURES	2003–04	2004–05
<b>Quantity<sup>(1)</sup>:</b>		
143 630 onshore applications (persons) finalised.	142 046	141 380
135 200 offshore applications (persons) finalised.	129 191	129 558
<b>Quality:</b>		
Approval rate compared to rates of non-compliance as measured by:	93.19 per cent	91.31 per cent
• percentage of students who apply for protection visas <sup>(2)</sup>	PV rate: 0.19 per cent	0.08 per cent
• percentage of students who become unlawful <sup>(2)</sup>	Unlawful rate: 1.47 per cent	0.60 per cent
• percentage of students whose visas are cancelled for non-attendance or for not meeting course requirements <sup>(3)</sup>	Cancellation rate: 1.92 per cent	1.87 per cent
• percentage of students located by DIMIA Compliance <sup>(3)</sup>	Compliance location rate: 2.90 per cent	2.84 per cent
Percentage of onshore student applications lodged electronically <sup>(4)</sup>	7.42 per cent	39.40 per cent
Percentage of offshore student applications that could be lodged electronically being lodged this way <sup>(5)</sup>	73.40 per cent	87.20 per cent
Performance against Service Standards.	See Output Component 1.1.5 (p 82)	

(1) Applications processed in Taipei are not reflected in the applications (persons) finalised quantities.

(2) As a proportion of the number of student visas expiring in that Program Year.

(3) As a proportion of the total number of student visas granted in the Program Year.

(4) That could be lodged this way. From 2004–05 this now includes permission to work.

(5) This data does not include applications that could be lodged as part of the AL2–4 e-Visa trial from China, India and Thailand.

## 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 while maintaining the integrity of Australia's immigration programs.

## Description

Students apply for a student visa specific to their intended education sector. For each student visa subclass there were criteria to be satisfied with respect to 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 (Assessment 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 applicants must provide in English proficiency and financial capacity to study in Australia.

## Analysis of performance

The Student Visa Program has a dual role:

a) To maximise the competitive advantage of Australia's international education student industry by streamlining access to student visas. Key indicators include:

- growth in student visas and student numbers
- diversity of student visa source countries
- reduction in processing times
- transparency of visa requirements
- increase in approval rates
- accessibility of visa lodgement arrangements.

b) To minimise student visa non-compliance, measured by:

- visa cancellation rates
- number of student visa holders who become unlawful
- protection visa applications by overseas students
- the level of fraud in student visa applications.

Figure 24 shows the numbers and rate of growth in the Student Visa Program. The rate of growth has reduced in recent years, indicating a softening following the very high growth levels in the 1999–2002 period.

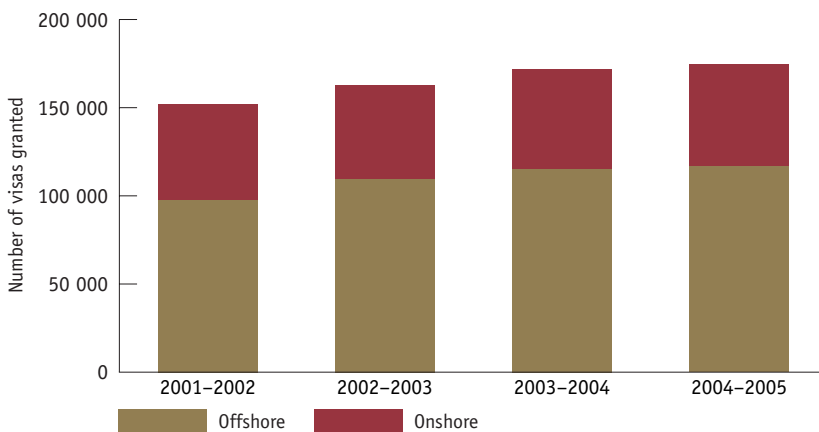
Figure 24: Student visa grants

Grant	2003–04	2004–05	per cent change
Offshore grants	115 248	116 716	1.27 per cent
Onshore grants*	56 370	58 071	3.02 per cent
<b>Total</b>	<b>171 618</b>	<b>174 787</b>	<b>1.85 per cent</b>

\* Not including permission to work or change of provider visa grants.

Source: Outcomes Reporting Section, DIMIA.

Figure 25: Offshore student visa grants 2001–02 to 2004–05 program years



Source: Outcomes Reporting Section.

Student visas were granted to 123 different nationalities, indicating a high level of diversity in the users of the program.

In the education sectors:

- The Non-award sector showed a marked increase in growth from 14 068 to 17 668 despite an overall softening in growth.
- There was a marginal increase in the number of visa grants in English Language Intensive Courses for Overseas Students (ELICOS)—from 22 372 to 22 642, and Vocational Education and Training (VET)—from 24 723 to 25 187.
- The total number of overseas students applying for university education, including the higher education and postgraduate research sectors, rose from 92 256 from the previous program year to 93 124.

Figure 26: Top ten source countries for overseas student visas granted

Countries	2003–04	2004–05
People's Republic of China	17 279	17 506
United States of America	10 723	10 367
India	9 611	10 000
Korea, Republic of	8 214	9 328
Malaysia	7 081	6 609
Japan	6 650	5 829
Hong Kong (SAR)	5 413	4 838
Thailand	4 946	4 818
Indonesia	5 194	4 751
Singapore	3 739	3 368

The following figures demonstrate the steady growth in the number of student visa holders in Australia, both in total and by top source countries.

At 30 June 2005 there were 190 400 overseas students in Australia, a 7.4 per cent increase over the previous year. A record number of overseas students (211 515) were in Australia as at 31 March 2005.

Figure 27: Number of Persons on Student visa in Australia

Program Year	30 September	31 December	31 March	30 June
1999–2000	128 136	79 801	130 943	121 135
2000–01	138 566	87 728	153 706	138 192
2001–02	163 032	102 331	168 730	154 017
2002–03	176 405	109 024	184 732	171 619
2003–04	193 546	120 602	203 123	177 292
2004–05	207 914	132 278	211 515	190 400

Source: Quarterly stock data reports provided by DIMIA Research & Statistics section.

This stock data provides a ‘snapshot’ of the estimated number of overseas students in Australia on four given dates throughout the year. The data has been extracted at the end of each quarter of each program year from 1999–2000 to 2004–05. Figure 27 shows the fluctuations in each quarter due to student peak periods.

Figure 28: Top Source Countries for International Students to Australia

	Stock by citizenship as at 30 June					
	2000	2001	2002	2003	2004	2005
People’s Republic of China	9 064	13 926	22 235	30 479	33 918	40 844
India	8 570	8 351	6 874	8 123	11 328	17 358
Korea	8 989	12 321	10 994	12 379	11 478	14 716
Malaysia	9 139	9 713	11 421	12 878	12 088	12 224
Japan	6 946	7 664	8 772	9 911	9 486	9 407
Thailand	5 781	6 876	7 964	8 629	7 941	7 938
Hong Kong	7 989	8 760	11 063	13 771	6 008	6 591
Indonesia	15 766	14 962	13 715	12 826	10 025	1 046

Source: Quarterly stock data reports provided by DIMIA Research & Statistics section.

## Compliance

Since the student visa reforms of 2001 there has been a steady improvement in compliance levels against all key indicators.

The number of students applying for protection visas (PV) continues to decline. During 2004–05, PV applications declined 31.76 per cent from the previous year (from 296 to 202). The rate of PV applications compared with the student visa grants now stands at its lowest-ever level of 0.12 per cent.

Student visa cancellations were lower than the previous year (8140\* compared to 8245). Also the *proportion* of cancellations compared to grants declined from 4.8 per cent in 2003–04 to 4.6 per cent in 2004–05—an indication of improving compliance levels.

The number of student visa holders who became unlawful in 2004–05 was 1514, a 33 per cent decrease on the 2003–04 total of 2257.

The number of applications refused due to fraud has declined from 1540 in 2003–04 to 1055 in 2004–05.

\* This figure is based on cancellations data as at 30 June 2005. Following a decision of the Federal Court, a number of cancellations were reversed on 17 August 2005. This will be reported on in 2005–06.

### Assessment level review

The improved levels of compliance by student visa holders are a good measure of the success of the 2001 student visa reforms. Consequently, it is possible to review the risk ratings allocated to individual nationalities by education sector, to reflect better their current compliance levels.

Ten countries, including eight from Central Europe, joined the European Union (EU) in May 2004. This change opened up pathways to free education in many EU member states and may have adversely affected Australia's ability to attract students from these markets.

Effective from 1 November 2004, six countries that acceded to the EU had their assessment levels adjusted from AL3 (high risk) to AL2 (moderate risk). This change ensured that all 10 EU accession member states were assessed against either AL2 or AL1 (low risk) criteria.

In April 2005, following a review of compliance against the risk factors in 2003–04, the department made further assessment level adjustments. In all, 18 nationalities had their risk ratings reduced in one or more sectors, totalling 63 adjustments.

These reductions reflect the ongoing success of the student visa reforms introduced in 2001. Following these reforms, we are seeing rising approvals rates and generally falling non-compliance rates for student visa holders. The changes are likely to increase numbers of students from these countries, adding to the diversity of the program as a whole.

### Adjustments to legislative and policy settings

Key improvements to legislation and policy taking effect from 1 July 2005 included:

- creating the facility for students from higher immigration risk countries to demonstrate their financial capacity through sponsorship by certain non-profit organisations
- amending the definition in the Migration Regulations of 'Foundation Course' to provide for all foundation courses appropriately registered to be a legitimate pathway to the higher education sector
- establishing greater consistency in the English language proficiency requirements for student visa applicants from higher immigration risk countries who have completed courses conducted in English in Australia.

### Consultation

The department continues to work with the Department of Education, Science and Training (DEST) on the management of the student visa program and in particular the intersection between migration legislation and the *Education Services for Overseas Students Act 2000* (ESOS Act). In 2004–05 we made a submission to the evaluation



of the ESOS Act. The terms of reference for the evaluation set the parameters for discussion of the effective and efficient operation of the ESOS legislative framework. In making a submission to the evaluation, the department sought to address issues of quality assurance, whole-of-government and the relationship between the ESOS Act and migration law and policy. We will work with DEST and industry in 2005–06 on the implementation of the ESOS evaluation recommendations.

The department consults education providers, the international education industry peak bodies and student representative bodies on the student visa program. We participated in conferences, workshops and seminars arranged by peak bodies, DEST and state education authorities as well as having regular meetings with peak organisations including the Affiliation of International Education Peak Bodies, the Australian Vice-Chancellors Committee, TAFE Directors Australia, the Australian Council for Private Education and Training, the Australian Council of Independent Vocational Colleges, English Australia, the Schools International Government Group and the Independent Schools Council of Australia.

The department convenes student welfare reference groups in some of its state offices. Membership of these groups includes relevant Australian and state government agencies, education providers, student and community groups and industry representatives. The purpose of the reference groups is to identify emerging student welfare concerns and to resolve them through early intervention with providers and/or through targeted information sessions on the obligations and responsibilities of providers and students. The groups are a valuable means of exchanging information and best practice.

### Global Working

The department's Global Working strategy saw continued growth in electronic lodgement of student visa applications, an expansion in the electronic lodgement arrangements through working with education agents in PRC, India and Thailand and bedding-down of the onshore processing of PRC student applications at the Adelaide Offshore Student Processing Centre (AOSPC).

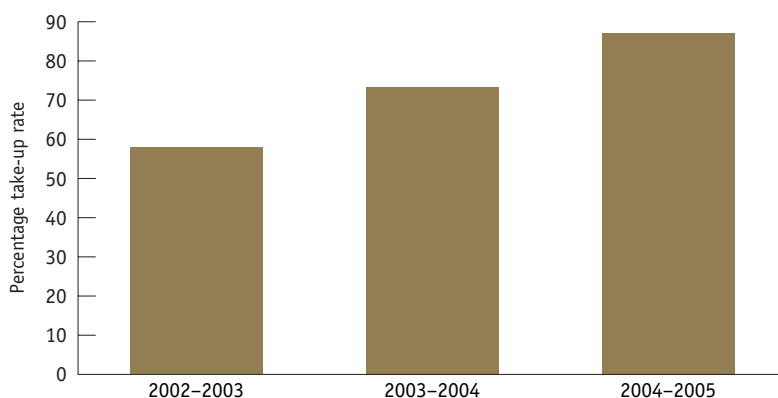
The Adelaide and Perth onshore processing centres report regularly on e-Visa uptake rates, processing times and the proportion of cases referred to overseas posts for integrity checking. These reports inform the ongoing evaluation of electronic lodgement in the student visa program. The reports are also used to identify opportunities to improve the e-Visa functionality and business processes.

### Internet lodgement

The Internet-based electronic student visa facility provides improved access to departmental services for many student visa applicants outside Australia in assessment level 1 (low immigration risk) countries. The number of eligible students applying through this facility continued to grow, with 39 270 student visas granted

to AL1 offshore applicants in 2004–05, compared to 35 497 in 2003–04. The rate of eligible applicants using this facility increased to 87.2 per cent (73.40 per cent in 2003–04). During 2004–05, we improved the lodgement facility to allow family members to be included in electronically-lodged applications, as well as enabling applicants aged under 18 to lodge electronic applications. These applications are processed in Perth Onshore Student Processing Centre (POSPC).

Figure 29: Offshore student e-Visa take-up rates



Source: DIMIA Outcomes Reporting Section.

The number of students from PRC, India and Thailand who lodged their applications via the internet has continued to climb since the pilot started in November 2004, and by 30 June 2005 had reached 4613. These applications are referred to onshore processing centres for assessment and decision. Adelaide Offshore Student Processing Centre (AOSPC) processes applications lodged from PRC and India, while the POSPC processes applications from Thailand.

The uptake of e-Visa for PRC and India was particularly strong in the last quarter of 2004–05. Since 1 November 2004, almost one-third of all new student visa applications from PRC have been lodged online. The number of e-Visa applications lodged from India in June 2005 (565) almost equalled the total number lodged in the previous 11 months.

These initiatives have improved client service and delivered greater consistency in decision-making, while enabling overseas posts to focus resources on integrity checking.

Arrangements are under way to include Indonesia in the AL2-4 e-Visa trial early in 2005–06. The department will evaluate the AL2-4 trial in 2005–06. Subject to the outcome of the evaluation, it may be possible to expand student e-Visa access to other countries in the future.

### Onshore Students

Electronic lodgement of student visa applications by students in Australia continued to grow from 4475 in 2003–04 to 11 019 in 2004–05 (a 146.2 per cent increase). This figure does not include electronic permission to work (PTW) visa applications lodged by students in Australia. The number of electronic PTW applications lodged in Australia was 42 794 for 2004–05.

e-student feedback:

Good morning,

My name is Elyse Ross, and I have just completed the E-visa application online. I will be studying as a tertiary level Canadian exchange student, beginning in July, and was assessed as OFFSHORE non-award sector, subclass 575. Once I lodged my visa application this morning, I checked the status of my application, and was stunned to notice that I had been approved, within 5 minutes. I just wanted to make sure that this is correct, and that no more documentation is required. If it has indeed been approved, I am indescribably impressed by the efficiency of your online services!

Thank you very much,

Elyse Ross—15 June 2005

### Student guardian visa

The student guardian visa (SGV) was introduced in January 2004. It 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 while studying. In certain limited circumstances, the visa may also provide for someone to accompany a student aged over 18 years.

Since it was introduced, there has been a steady increase in interest in this visa. In 2004–05, 1126 SGVs were granted, with the majority—46.8 per cent—being to Republic of Korean nationals.

### 1.1.6 TEMPORARY RESIDENTS

Figure 30: Performance information—Temporary residents

MEASURES	2003–04	2004–05	
<b>Quantity<sup>(1)</sup>:</b>			
36 800 Sponsored Business (Long Stay) onshore applications (persons) finalised.	32 075	33 541	
16 175 Sponsored Business (Long Stay) offshore applications (persons) finalised.	23 455	28 240	
20 315 other temporary residence onshore applications (persons) finalised.	22 050	20 763	
37 270 other temporary residence offshore applications (persons) finalised.	34 498	37 373	
61 030 nomination/sponsorship applications finalised.	58 169	65 449	
75 Professional Development Institution—Sponsorship applications finalised.	26	13	
65 sanctions issued where there has been breach of visa and/or sponsorship conditions. <sup>(2)</sup>	0	19	
<b>Quality:</b>			
Approval rates compared to rates of non-compliance as measured by percentage of temporary entrants who apply for protection visas.	Approval rate:	95.33 per cent	97.17 per cent
	Application for protection visa rate:	0.36 per cent	0.11 per cent
Approval rates compared to rates of non-compliance as measured by percentage of temporary entrants who become unlawful.	Approval rate:	95.33 per cent	97.17 per cent
	Unlawful rate:	1.59 per cent	1.05 per cent
Approval rates compared to rates of non-compliance as measured by percentage sponsors in breach of their undertakings.	0.47 per cent	0.23 per cent	
100 per cent of 457 visa sponsors monitored for compliance with visa conditions.	100 per cent	100 per cent	
25 per cent of 457 visa sponsors site visited at place of employment.	28 per cent	23 per cent	
Performance against Service Standards.	See Output Component 1.1.6 (p 83)		

(1) Applications processed in Taipei are not reflected in the applications (persons) finalised quantities.

(2) The 2003–04 result reflects sanctions legislation coming into effect on 1 July 2004.

## Objective

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

## Description

In support of these objectives, visas are issued in the following categories:

Figure 31: Number of visas issued by category

Category	2003–04	2004–05	per cent change
Skilled visa classes	48 652	56 918	16.9
Social and cultural	23 309	22 070	-5.3
International relations	14 628	14 525	-0.7
<b>Total</b>	<b>86 589</b>	<b>93 513</b>	<b>7.7</b>

Source: DIMIA Outcomes Reporting Section.

## Analysis of performance

### Benefiting Australia's economy

Temporary business residents are highly skilled, have high salary levels and are not eligible for a range of government services. They continue to have a large and positive impact on the Australian Government Budget. Temporary business residents are also net contributors to state and territory budgets.

On the basis of Access Economics modelling, the Australian Government Budget could benefit by around \$2.5 billion over four years from the 49 855 temporary business entrants granted visas in 2004–05. The modelling also indicates that on average, state and territory budgets could share around \$1 billion 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 grants focused on filling vacancies in skilled occupations, covering the top four Australian Standard Classification of Occupations (ASCO) dictionary classifications. The visas allow business to respond quickly to changes

in skills needs. This was particularly apparent in the health professions and senior management positions.

In 2004–05, 3074 visas were granted to doctors and a further 3237 visas to their dependants. This is an increase of 27 per cent from 2428 visa grants to doctors in 2003–04. At the end of June 2005, there were 2437 temporary resident doctors in Australia, an increase of 31 per cent on the number of doctors in Australia on this visa at the end of June 2004.

To support the Strengthening Medicare initiatives, doctors were added to the list of approved occupations for business (long stay) visa (subclass 457) on 2 April 2005. This provides doctors and their employers with access to more streamlined processing arrangements, as well as the ability to lodge applications over the Internet. In 2004–05, 72 visas were granted to doctors under this subclass.

Visa grants to people with information and communication technology (ICT) skills fell slightly (3 per cent) in 2004–05. A separate higher salary threshold is required for ICT professionals applying for the temporary business 457 (long stay) visa. The salary threshold for most positions nominated for this visa was set at \$39 100 from 9 April 2005 and for ICT professionals at \$50 775.

In 2004–05, 14 604 people holding the temporary business (long stay) visa applied to remain in Australia permanently. The majority of these (64 per cent) applied for permanent entry under the Employer Nominations Scheme, Regional Sponsored Migration Scheme and Labour Agreements. These applications represented 86 per cent of the visas granted in these visa categories onshore.

### Supporting regional needs

Provisions exist 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. Under these arrangements, 978 positions were approved in 2004–05. This provision does not extend to unskilled workers. Regional Australia has access to much-needed skilled workers to fill local shortages under this regional concession.

There are also special nomination arrangements in place for health care professionals entering sole-person practices in regional Australia, which allow for sponsorship by the community, such as the local council, government regional health organisation or government regional medical centre. This arrangement applies also to the Regional Sponsored Migration Scheme and the temporary medical practitioner visa (subclass 422). Support from the relevant health authorities in the state or territory is required in this situation.

In May 2005, the second National Regional Certifying Bodies conference was held in Adelaide. Representatives of many of the 52 state and territory regional certifying bodies responsible for certifying regional visa nominations attended the conference. The conference promoted the objective for all participants to work closely together

on the range of visa initiatives for regional Australia, especially the role of the regional outreach officers network established after the first conference last year.

### **Increased integrity issues**

All business sponsors are monitored to ensure compliance with the sponsorship obligations. In addition, 23 per cent of sponsors were site visited in 2004–05.

Legislation came into effect on 1 July 2004 that provides sanctions against sponsors found to be in breach of sponsorship undertakings. These allow for cancellation of the business sponsorship approval, and a bar for up to five years on bringing in foreign workers. Sponsors can also be required to pay the Commonwealth for any costs incurred in locating and removing people they have sponsored. There is scope in the provisions to require a security undertaking from high-risk sponsors.

During 2004–05, 7963 sponsors were monitored by specialised departmental monitoring units. The monitoring teams conducted 1845 site visits. Nineteen sponsors were subject to sanctions for not complying with their obligations.

### **Streamlined processing**

Streamlined processing ensured that the median onshore processing time remained low at 26 days in 2004–05. There was a 15.7 per cent increase in application rates for the subclass 457 visa.

### **Global Working**

From January 2004, all visa applicants sponsored by Australian businesses were required to lodge their applications in Australia. This includes overseas visa applicants.

Most business sponsorship, nomination and visa applications can be lodged over the Internet. The take-up rate for electronically lodged visa applications reached 70 per cent in 2004–05, providing fast, streamlined processing for this visa.

*From the magnificent beasts of an African game park to the cute and cuddly animals of the Australian bush, Jackie Van Den Berg came to Tasmania—and decided to stay.*



## Jackie Van Den Berg

A registered nurse, she settled in the island state under the Australian Government's Regional Sponsored Migration Scheme (RSMS), and has no regrets.

"Coming from South Africa, the safety and laid back relaxed Tasmanian lifestyle appealed to me," Jackie said.

"Tasmania is a beautiful island with so many places to visit, friendly, helpful people who still find the time to talk to you. There is no rush. It has everything, the sun and sea and snow."

After entering Australia in 2002 on a temporary visa, Jackie was offered a position in the intensive care unit of Tasmania's Mersey Community Hospital.

Jackie recommends her experiences in Australia to other overseas nurses with the succinct advice to: "Go for it."



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

Figure 32: Performance information—Resident return visas, Australian declaratory visas and Certificates of evidence of residence status

MEASURES	2003–04	2004–05
<b>Quantity<sup>(1)</sup>:</b>		
70 325 onshore applications (persons) finalised.	80 922	86 404
7690 offshore applications (persons) finalised.	8 061	8 117
<b>Quality:</b>		
Percentage of onshore Resident Return Visa applications lodged electronically.	6 per cent	10 per cent
Performance against Service Standards.	See Output Component 1.1.7 (p 83)	

(1) Applications processed in Taipei are not reflected in the applications (persons) finalised quantities.

#### Objectives

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 wellbeing, 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

In support of these goals, visas were issued in the following categories, including the issue of Certificates of Evidence of Residence Status (CERS):

Figure 33: Number of return residents, Australian declaratory visas and certificates issued

Category	2003–04	2004–05	per cent change
Return resident	63 190	65 371	3.45
Australian Declaratory	1 230	1 163	-5.45
Certificates of Evidence of Residence Status	17 720	20 067	13.24
<b>Total</b>	<b>82 140</b>	<b>86 601</b>	<b>5.43</b>

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

Source: Outcome 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 departmental offices in Australia and overseas and electronically over the Internet.

A total of 67 861 RRV applications were lodged over the counter and via the Internet during 2004–05. Of those, 61 756 were lodged in person, resulting in 59 452 grants and 937 refusals.

### Global Working

During 2004–05, 6105 Internet applications were lodged for RRVs, up 71.49 per cent on 2003–04, resulting in the autogrant of 2201 electronic RRVs. Internet applications not resulting in an autogrant of an RRV are referred to the department's Perth office for further processing. A further 3718 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 1384 ADV applications were lodged during 2004–05, with a total of 1163 being granted, down 5.45 per cent on 2003–04.

### Certificates of Evidence of Residence Status (CERS)

The department provides a service to permanent residents who are unable to present to third parties a passport and visa as proof of their resident status. During 2004–05, 20 231 applications were lodged, with a total of 20 067 being issued, up 13.24 per cent on 2003–04.

## Output 1.1—Non-Humanitarian Entry and Stay Performance information

Figure 34: Service Standards—Output 1.1—Non-humanitarian entry and stay

### Actual Median and 75 Percentile Processing Time

	Onshore		Offshore	
	Low Risk	High Risk <sup>(1)</sup>	Low Risk	High Risk <sup>(1)</sup>
<b>Output 1.1.1 Economic Entry (Permanent)</b>				
<b>Labour Agreement/Employer Nomination/Regional Sponsored Migration</b>				
Median Processing Time	3 months	4 months	3 months	4 months
Actual Median	2.2 months	2.9 months	1.6 months	3.6 months
75 Percentile Processing Time	6 months	8 months	6 months	8 months
Actual 75 Percentile	4.0 months	5.3 months	3.1 months	5.6 months
<b>Business Skills</b>				
Median Processing Time	6 months	12 months	6 months	12 months
Actual Median	4.2 months	6.6 months	6.7 months <sup>(2)</sup>	7.1 months
75 Percentile Processing Time	9 months	15 months	9 months	15 months
Actual 75 Percentile	7.4 months	11.0 months	13.1 months <sup>(2)</sup>	16.5 months <sup>(2)</sup>
<b>General Skilled Migration</b>				
Median Processing Time	4 months	4 months	9 months	12 months
Actual Median	4.7 months	4.6 months	9.4 months <sup>(3)</sup>	12.2 months <sup>(3)</sup>
75 Percentile Processing Time	6 months	6 months	12 months	15 months
Actual 75 Percentile	7.4 months	7.5 months	13.6 months <sup>(3)</sup>	17.9 months <sup>(3)</sup>
<b>Skilled Independent—Regional</b>				
Median Processing Time	3 months	3 months	5 months	5 months
Actual Median	2.6 months	1.6 months	3.4 months	3.7 months
75 Percentile Processing Time	5 months	5 months	7 months	7 months
Actual 75 Percentile	3.8 months	3.1 months	4.5 months	5.3 months

Notes:

- (1) High Risk is defined as those nations for whom ETA is not available.
- (2) Processing times continue to be affected by the need for a high level of follow up. Documentation checklists have been introduced and promoted to migration agents to address this. This has led to an improvement in processing times.
- (3) The Adelaide Skilled Processing Centre (ASPC) has targeted older cases toward the end of the program year which has adversely affected processing times. Once cleared, this will result in a significant positive outcome.

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.

Figure 34 continued

	Onshore		Offshore	
	Low Risk	High Risk <sup>(1)</sup>	Low Risk	High Risk <sup>(1)</sup>
<b>Output 1.1.2 Family Entry (Permanent)</b>				
<b>Spouse/Interdependent (Temporary)</b>				
Median Processing Time	3 months	3.5 months	3 months	6 months
Actual Median	2.1 months	1.6 months	1.9 months	4.4 months
75 Percentile Processing Time	6 months	6 months	5 months	10 months
Actual 75 Percentile	4.3 months	3.8 months	3.4 months	7.2 months
<b>Prospective Spouse</b>				
Median Processing Time	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	3 months	6 months
Actual Median	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	2.1 months	3.5 months
75 Percentile Processing Time	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	5 months	10 months
Actual 75 Percentile	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	3.4 months	6.0 months
<b>Spouse/Interdependent (Permanent)</b>				
Median Processing Time	3 months	3.5 months	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>
Actual Median	2.2 months	3.0 months	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>
75 Percentile Processing Time	6 months	8 months	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>
Actual 75 Percentile	4.7 months	6.3 months	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>
<b>Child</b>				
Median Processing Time	3 months	3 months	2 months	4.5 months
Actual Median	2.1 months	1.0 months	1.1 months	2.9 months
75 Percentile Processing Time	6 months	7 months	3 months	10 months
Actual 75 Percentile	3.7 months	3.4 months	1.9 months	7.4 months
<b>Contributory Aged Parent (Temporary)</b>				
Median Processing Time	6 months	6 months	6 months	6 months
Actual Median	5.0 months	2.8 months	5.8 months	6.5 months
75 Percentile Processing Time	9 months	9 months	9 months	9 months
Actual 75 Percentile	8.6 months	4.4 months	8.0 months	9.9 months
<b>Contributory Aged Parent (Permanent)</b>				
Median Processing Time	6 months	6 months	6 months	6 months
Actual Median	5.7 months	5.0 months	6.3 months	6.8 months <sup>(4)</sup>
75 Percentile Processing Time	9 months	9 months	9 months	9 months
Actual 75 Percentile	8.7 months	8.3 months	9.1 months	10.1 months <sup>(4)</sup>

## Notes:

- (1) High Risk is defined as those nations for whom ETA is not available.
- (2) Not applied for in Australia.
- (3) Number of permanent visa applicants who have held a temporary visa for two years are too small for Median and 75 Percentile processing times to be statistically significant.
- (4) Reflects delays by applicants to provide medicals or other necessary documentation. 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.

Figure 34 *continued*

<b>Output 1.1.3 Special Eligibility</b>				
	Onshore		Offshore	
	Low Risk	High Risk <sup>(1)</sup>	Low Risk	High Risk <sup>(1)</sup>
<b>Other Special Eligibility</b>				
Median Processing Time	6 months	9 months	9 months	12 months
Actual Median	3.2 months	2.3 months	3.3 months	5.1 months
75 Percentile Processing Time	9 months	13 months	15 months	18 months
Actual 75 Percentile	6.2 months	6.6 months	6.8 months	7.2 months

Notes:

(1) High Risk is defined as those nations for whom ETA is not available.

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.

<b>Output 1.1.4 Visitors and Working Holiday Makers</b>				
	Onshore		Offshore	
	Low Risk	High Risk <sup>(1)</sup>	Low Risk	High Risk <sup>(1)</sup>
<b>Sponsored Visitors</b>				
Median Processing Time	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(3)</sup>	1 month
Actual Median	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(3)</sup>	0.9 months
75 Percentile Processing Time	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(3)</sup>	1.5 months
Actual 75 Percentile	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(3)</sup>	1.6 months
<b>Non-Sponsored Visitors (Short Stay)</b>				
Median Processing Time	1 day	1 day	1 day <sup>(3)</sup>	0.5 months
Actual Median	Same day	Same day	Same day	0.2 months
75 Percentile Processing Time	1 day	1 week	1 day <sup>(3)</sup>	1 month
Actual 75 Percentile	4 days	1 week	Same day	0.3 months
<b>Non-Sponsored Visitors (Long Stay)</b>				
Median Processing Time	1 day	1 week	1 day	1 month
Actual Median	Same day	1 week	1 day	0.5 months
75 Percentile Processing Time	1 day	1 month	1 day	1.5 months
Actual 75 Percentile	13 days <sup>(4)</sup>	0.8 months	6 days <sup>(4)</sup>	1.0 months

Figure 34 *continued***Sponsored Business Visitors**

Median Processing Time	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(3)</sup>	3 days
Actual Median	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(3)</sup>	6 days <sup>(5)</sup>
75 Percentile Processing Time	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(3)</sup>	1 month
Actual 75 Percentile	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(3)</sup>	0.6 months

**Non-Sponsored Business Visitors**

Median Processing Time	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	1 day <sup>(3)</sup>	0.5 months
Actual Median	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	Same day	0.1 months
75 Percentile Processing Time	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	1 day <sup>(3)</sup>	1 month
Actual 75 Percentile	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	Same day	0.3 months

**Working Holiday Makers**

Median Processing Time	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	1 day	N/A <sup>(7)</sup>
Actual Median	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	Same day	N/A <sup>(7)</sup>
75 Percentile Processing Time	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	1 day	N/A <sup>(7)</sup>
Actual 75 Percentile	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	11 days <sup>(6)</sup>	N/A <sup>(7)</sup>

**Notes:**

- (1) High Risk is defined as those nations for whom ETA is not available.
  - (2) Not applied for in Australia.
  - (3) ETA is available to Low Risk nationality applicants.
  - (4) In those cases where standard processing times were exceeded, the reasons generally related to issues outside of the department's control, particularly among the over 70s age group where applicants were required to undergo medical and/or x-ray examinations.
  - (5) Increased application rate impacting on processing time due to confirmation of new sponsorships resulting from Gazettals.
  - (6) Application surge from nationals who are required to undergo health checking and for some who are required to provide evidence of funds due to downturn in local economies.
  - (7) No Working Holiday Maker Agreements are in place with High Risk nations.
- The Median and 75 Percentile processing times are from application to finalisation.

Figure 34 *continued*

<b>Output 1.1.5 Students</b>					
	Onshore			Offshore	
	Assessment Level 1/2	Assessment Level 3/4	Assessment Level 1	Assessment Level 2	Assessment Level 3/4
<b>Students</b>					
Median Processing Time (calendar days)	7 days	14 days	7 days	14 days	60 days
Actual Median	8 days	10 days	7 days	13 days	57 days
75 Percentile Processing Time (calendar days)	14 days	30 days	14 days	21 days	90 days
Actual 75 Percentile	29 days <sup>(8)</sup>	33 days	14 days	21 days	107 days <sup>(8)</sup>
	Onshore			Offshore	
	Assessment Level 1/2	Assessment Level 3/4	Assessment Level 1/2	Assessment Level 3/4	
<b>Students: permission to work</b>					
Median Processing Time (calendar days)	3 days	3 days	N/A <sup>(9)</sup>	N/A <sup>(9)</sup>	
Actual Median	Same day	1 day	N/A (9)	N/A (9)	
75 Percentile Processing Time (calendar days)	7 days	7 days	N/A (9)	N/A (9)	
Actual 75 Percentile	4 days	7 days	N/A (9)	N/A (9)	

## Notes:

- (1) High Risk is defined as those nations for whom ETA is not available.
  - (2) Not applied for in Australia.
  - (3) ETA is available to Low Risk nationality applicants.
  - (4) In those cases where standard processing times were exceeded, the reasons generally related to issues outside of the department's control, particularly among the over 70s age group where applicants were required to undergo medical and/or x-ray examinations.
  - (5) Increased application rate impacting on processing time due to confirmation of new sponsorships resulting from Gazettals.
  - (6) Application surge from nationals who are required to undergo health checking and for some who are required to provide evidence of funds due to downturn in local economies.
  - (7) No Working Holiday Maker Agreements are in place with High Risk nations.
  - (8) Reflects delays by applicants to provide medicals or other necessary documentation.
  - (9) Students can only apply for permission to work in Australia.
- The Median and 75 Percentile processing times are from application to finalisation.

Figure 34 *continued*

<b>Output 1.1.6 Temporary Residents</b>				
	Onshore		Offshore	
	Low Risk	High Risk <sup>(1)</sup>	Low Risk	High Risk <sup>(1)</sup>
<b>Long Stay Business &amp; Other Sponsored Temporary Residents<sup>(2)</sup></b>				
Median Processing Time	1 month	2 months	1 month	2 months
Actual Median	0.4 months	0.7 months	0.8 months	0.8 months
75 Percentile service standard	3 months	5.5 months	3 months	5.5 months
Actual 75 Percentile	1.1 months	1.5 months	1.3 months	1.7 months

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.

<b>Output 1.1.7 Resident Return Visas, Australian Declaratory Visas and Certificates of Evidence of Residence Status</b>		
	Onshore	Offshore
<b>RRV, ADV and Certificates of Evidence of Residence Status</b>		
Median Processing Time	1 day	1 day
Actual Median	Same day	2 days
75 Percentile Processing Time	1 day	2 weeks
Actual 75 Percentile	Same day	1.7 weeks



## Output 1.2—Refugee and humanitarian entry and stay

### HIGHLIGHTS

#### International Cooperation

Consistent with a strong commitment to a whole-of-government agenda, the department worked to advance Australia's national interests through bilateral, regional and multilateral cooperation on border control and migration management. In particular, in addition to ongoing efforts to combat people smuggling, we increased our efforts to advocate Australia's interests and influence outcomes in the areas of stronger border management to counter terrorism and trafficking in persons. We sought to achieve our objectives through efforts to promote managed people movement, reduce irregular movements and improve the system of international protection.

The department used stronger partnerships with governments in the Asia, Pacific and Middle East regions and an active program with international organisations to focus on practical outcomes, including:

- improved border management and entry control systems
- improved regional security through strengthened cooperation on border control and migration management within and between regions and agencies to counter terrorism
- greater immigration operational and intelligence capability in priority countries to target irregular movements
- revised legislative and regulatory frameworks capable of responding to contemporary issues
- greater international focus on comprehensive approaches to durable solutions to refugee and asylum seeker flows, including commitment of increased United Nations High Commissioner for Refugees (UNHCR) resources to resettlement and more strategic use of resettlement.

The department worked with a range of agencies, such as the Australian Federal Police (AFP), AusAID, the Australian Customs Service (ACS), the Department of Foreign Affairs and Trade (DFAT) and international agencies, on activities including:

- supporting ministerial visits to priority countries, including Indonesia, to strengthen immigration cooperation, particularly through technical cooperation on border management with a focus on combating people smuggling

- signing a Memorandum of Understanding (MOU) with the Government of Afghanistan to encourage the return of Afghans; provision of assistance for the reintegration of Afghan returnees; and continuing efforts to build Afghanistan's visa and passport issuing system
- continued financial support to Indonesia as a transit country for persons engaged in illegal travel to Australia. Regional cooperation arrangements facilitate an orderly and safe way for the International Organization for Migration (IOM) to counsel displaced people about their options and provide practical support such as accommodation, food, emergency medical assistance and for UNHCR to assess the claims of those who signal a possible protection need
- provision of training, technical assistance and special equipment to a number of priority countries in areas such as border management, including visa and passport systems, detecting document fraud, identity checking units, professional standards and using immigration intelligence to greater effect
- supporting practical, outcomes-oriented regional workshops and seminars on people smuggling and trafficking and other key topics for operational agencies, including:
  - a joint departmental, AFP and AusAID supported seminar in Thailand for immigration agency staff from 10 countries in the sub-region
  - an Australian-assisted workshop hosted by Indonesia for the Association of South East Asian Nations (ASEAN) countries and East Timor on immigration intelligence and information gathering and sharing
- investment in a series of border and migration management assessments for a range of countries in the Asia-Pacific region, including Fiji and Papua New Guinea (PNG)
- participation in the Government's Enhanced Cooperation Program (ECP) with PNG through key personnel secondments and technical assistance to strengthen PNG's capacity to manage its borders
- sustained commitment to important multilateral forums such as the Inter-governmental Asia-Pacific Consultations (APC) on Refugees, Displaced Persons and Migrants and the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime through the provision of financial support and substantial contributions to strategic directions and practical activities. In addition, we sponsored and actively contributed to a review of the future directions of 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 List System (RMAL), and expansion of the APEC business travel card scheme to include 17 economies
- advocacy of Australian perspectives with the Global Commission on International Migration particularly during regional consultations and the drafting of a report to the UN Secretary General (to be presented in 2005-06)

- continued senior officials' dialogue with the European Commission on a range of migration and asylum issues, including European Commission consideration of an enhanced approach to labour migration
- benchmarking and information exchange on a range of migration and asylum issues with the member states of the Inter-Governmental Consultations on Asylum, Refugee and Migration Policies (IGC), which since December 2004 includes New Zealand.

## **OUTPUT 1.2 REFUGEE AND HUMANITARIAN ENTRY AND STAY**

### **Overview**

The Humanitarian Program is an important element of Australia's contribution to the system of international protection of refugees. The program has two components:

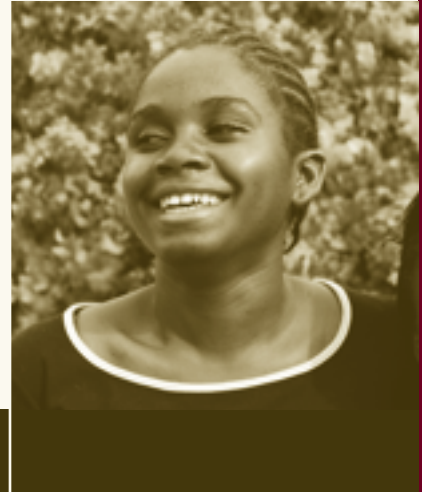
- The offshore component provides resettlement in Australia to people overseas who are in the greatest relative need of this durable solution
- The onshore component provides protection in Australia to people who engage Australia's protection obligations under the Refugees Convention.

In 2004–05, a total of 13 178 visas were granted under the Humanitarian Program. This number comprised 12 096 visas granted offshore and 1082 onshore.

The total number of Humanitarian Program visas granted exceeded the 12 389 available places by 13 refugee grants and 776 Special Humanitarian Program (SHP) grants. These additional places were brought forward from the 2005–06 program.

*In January 2005, Aive and her sister walked off a plane to find safety in Australia.*

*It was the end of a long and dangerous journey from their native Liberia to the Ivory Coast and then to the Laine refugee camp in Guinea where they were granted Woman At Risk visas by Australia. They are the only survivors in their family of seven.*



## Aive from Liberia

One day Aive heard people shooting guns around her school. The war had found her again.

“The teachers said, “go home,” so I came home with my little sister Princess but no-one was there,” said Aive.

As a 12-year-old surrounded by fighting she decided they must follow the people escaping to Guinea. They made their way to the Laine refugee camp in Guinea where they spent two years constantly looking for their parents.

Life was extremely difficult in the camp without a mother and father to protect them. Their home was made from mud with a tarpaulin for a roof. The sun came through making it unbearably hot and when it rained it leaked. The girls got sick with malaria from the many mosquitoes in the camp. The UN’s food distribution was not enough so the girls were dependent on others for food.

Aive lived in constant fear of the abuse inflicted on girls who had lost their parents.

“I saw little girls, 16- and 17-years-olds get pregnant when they already had

their brothers and sisters to look after,” Aive said.

Australia works closely with the UNHCR to identify people most in need of Australia’s protection.

“I gave my name to the UNHCR and the next thing I had an interview,” Aive said.

The sisters were soon granted refugee visas for Australia and given training that prepared them for the very different way of life they could expect.

Aive and her sister were resettled in Australia as unaccompanied humanitarian minors along with some 380 other refugees from the Laine refugee camp, many who were referred to Australia as being women at risk.

“Coming to Australia was just like a dream—we were not expecting it,” Aive said.

“We are much safer now and I love the people here because they are very friendly. We were greeted at the airport and last Saturday, the Liberian community had a welcome where I met people who were my friends from the Ivory Coast”, Aive said.

### 1.2.1 OFFSHORE HUMANITARIAN PROGRAM

Figure 35: Performance information—Offshore humanitarian program

MEASURES	RESULTS
<b>Quantity:</b>	
125 000 applications (persons) finalised.	114 060*
<b>Quality:</b>	
75 per cent of applications (persons) finalised within 12 months.	79 per cent of applications were finalised within 12 months. 75 per cent were finalised within approximately 9½ months.

\* The finalisation target was revised in the Portfolio Additional Estimates from 59 000 finalisations to 125 000 in light of an increased application rate.

#### Objectives

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

13 000 new Humanitarian Program places were made available by the Government for 2004–05. This was an increase of 1000 places from 12 000 new annual places allocated since 1995–96.

The department manages the program flexibly, allowing places to be carried over or brought forward for use between program years. We also re-credit places to available program numbers if offshore visas once granted are not taken up by the grantees or

if a temporary protection visa (TPV) holder departs Australia. For 2004–05, 960 of the 13 000 new places for the year were brought forward for use in 2003–04 and 349 places were re-credited to the available program numbers as a result of TPV departees and offshore visas not being taken up by the grantees.

Following adjustment, the total number of available program places for use in 2004–05 was 12 389, comprising:

- 5498 refugee places
- 6891 special humanitarian places (including onshore protection visas).

Due to the continuing reduction in onshore protection applications a nominal allocation of 800 program places was made for onshore protection needs arising from initial applications for protection visas.

13 178 visas were granted during 2004–05 comprising:

- 5511 refugee visas
- 7667 Special Humanitarian Program (SHP) and onshore protection visas

The 7667 SHP and onshore protection visas consisted of:

- 6585 SHP visas from offshore
- 895 onshore protection visas
- 148 SHP visas providing permanent residence in Australia to East Timorese as a result of ministerial intervention on public interest grounds
- 22 other SHP visas granted to onshore applicants, as a result of ministerial intervention on public interest grounds
- 17 temporary humanitarian concern visas.

Of the total 13 178 visas granted, 12 096 were granted to offshore applicants, comprising:

- 5511 refugee visas
- 6585 SHP visas.

This was the highest number of offshore visa grants since 1995–96.

Of the total 5511 refugee visas, 841 or 15.3 per cent were granted to Woman at Risk applicants, exceeding the nominal annual target of 10.5 per cent of refugee category visas granted. The level of Woman at Risk visa grants for 2004–05 was the highest since this visa category was established in 1989. The high outcome for 2004–05 was partly due to the overall increase in refugee places for 2004–05 and the processing of special groups of refugees from West Africa where a large proportion were households headed by women. A total of 6016 Woman at Risk visas have been granted since 1989.

Offshore grants in 2004–05 were closely 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—70.16 per cent of total offshore grants, the same percentage as in 2003–04
- Middle East and South West Asia—26.24 per cent of total offshore grants, a small increase compared to 24.4 per cent in 2003–04
- Asia—3.43 per cent, a small increase compared to 1.9 per cent in 2003–04
- Europe—0.17 per cent, a small decrease compared to 3.0 per cent in 2003–04
- Americas—0.1 per cent, the same percentage as in 2003–04.

The trend to improved processing times over recent years was maintained. The target of 75 per cent of applications (persons) finalised within 12 months was exceeded with 75 per cent being finalised within 9½ months. 79 per cent of cases were finalised within 12 months. On average, offshore humanitarian cases processed in 2004–05 took seven months for all finalisations and nine months for visas granted.

In 2004–05, a total of 90 539 applications (persons) were made offshore, an increase of 11 568 (15 per cent) in comparison with 2003–04. Applications from 114 060 persons were finalised during 2004–05, which is 70 per cent more than in the previous year.

### Onshore processing

The successful 2003–04 onshore processing pilot in the department's Sydney Office formed the basis for an expansion of onshore processing of SHP applications in 2004–05. The NSW exercise was formalised and expanded to include all SHP applications from people in Africa, and in April 2005 an Onshore Humanitarian Processing Centre was established in the Melbourne Office to process SHP applications from people in the Middle East.

Onshore processing of selected parts of the program caseload has allowed the department to deliver the increased program in the major source regions of Africa and the Middle East and to maintain improvements in processing times and client service.

### No-interest loan scheme

We provided \$2.5 million to the International Organization for Migration (IOM) to enhance its no-interest loan scheme for proposers to meet the travel costs of SHP visa holders. The IOM has established a community advisory group to ensure community input into the loan fund operation.

*When Yatta tucks her daughter Patience into a safe, warm bed at night, she is reminded of just how far she has come from Liberia.*

*In Australia Yatta has found peace, security and opportunity—things she had never known in her former country. In 2004–05, Australia has been able to provide assistance to over 13 000 people just like Yatta, who are escaping discrimination or persecution in their home country.*



## Yatta

When Yatta was a child, rebel gang members broke into the family home and dragged her father and stepmother out into the street where they were assaulted. The rebels forced Yatta and her brothers and sisters to clap their hands while they watched helplessly.

The rebels ceased their attack only when government soldiers arrived and began a counter-attack. Yatta's brothers carried their parents into the bush where the family hid for a week before escaping to the Ivory Coast.

The family left the Ivory Coast in 2002 when civil war escalated. They fled to a refugee camp in Guinea and Yatta began working for *Action Against Hunger*, an organisation that aims to educate refugees living in camps about health, sanitation and disease prevention. At the time there were frequent outbreaks of measles, cholera and diarrhoea.

In 2004 Yatta's father and stepmother decided to apply for resettlement in the United States. Yatta, her daughter, sisters and brothers applied to come to Australia instead. All five sisters and

Patience arrived in Sydney in January this year, and their brothers followed later in the year.

At the airport, they were met by service providers contracted to DIMIA to help new humanitarian arrivals settle into life in Australia under the Integrated Humanitarian Settlement Strategy.

As Yatta's English improved, she became confident enough to begin studying and working part time. She has recently completed a course in Aged Care Nursing at TAFE, and now hopes to study pharmacology.

Her enthusiasm for learning extends to her daughter's education.

"My plans for her are to go to school and keep learning. I want to help her read and write and use computers. I hope for a better future for her, and I know she will have one in Australia. Thank you so much for bringing us here."



### Cultural Orientation

Building on the 2003 pilot pre-embarkation cultural orientation project in Kenya, we expanded delivery of the cultural orientation program. We contracted the IOM to provide classes in seven broad locations—Cairo, East Africa, West Africa, Middle East, Tehran, New Delhi and South East Asia.

The program typically consists of an intensive 15-hour course conducted over three consecutive days, covering topics such as: the journey to Australia; assistance and services provided to refugee and humanitarian entrants; Australian society and culture; Australia's legal system, including the role of the police; physical and mental health care; employment; education; transport; housing; and Australian state and territory information. The classes are conducted in the client's local language and provide humanitarian entrants with the necessary knowledge to improve their settlement prospects and have realistic expectations of life in Australia.

In November 2004, we contracted the International Catholic Migration Commission (ICMC) to undertake cultural orientation training for up to 800 entrants from the Laine refugee camp in Guinea as part of the ICMC's broader role in assisting with resettlement of these persons.

The number of people who attended cultural orientation classes in 2004–05 was 5902 at a total cost of \$1.055 million.



*Cultural Orientation program for children in Thailand.*

### Special Humanitarian Program medicals

Funding became available in 2004–05 for medical screening for all SHP applicants. We expect around 7000 persons will benefit each program year.

There were 6322 persons assisted under this program in 2004–05 with expenditure of \$632 172.

### Pre-departure medical screening

In response to emerging health issues for humanitarian entrants from some locations, we piloted pre-departure health screening and treatment with the assistance of the IOM in Africa. Preliminary results indicate the pilots have ensured that health issues for entrants have improved and ensured smoother arrangements with post arrival service providers.

## 1.2.2 PROTECTION VISAS (ONSHORE)

Figure 36: Performance information—Protection visas (onshore)

MEASURES	RESULTS
<b>Quantity:</b>	
7650 onshore protection applications (persons) finalised.	8 278
8980 Intervention assessments of which 5123 are post review assessment.	5 213
45 matters relating to complaints to and assessments for United Nations (UN) treaty bodies.	15
250 (persons) in detention assisted under the Immigration Advice and Application Assistance Scheme.	430
<b>Quality:</b>	
80 per cent of applications (applicants not in detention) finalised within 90 days of lodgement, where there are not factors outside DIMIA's control which prevent finalisation.	79.2 per cent
60 per cent of applications (applicants in detention) finalised within 42 days of lodgement, where there are not factors outside the department's control which prevent finalisation.	83.6 per cent

### 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 has protection obligations under the Refugees Convention 1951 and as amended by the Refugees Protocol 1967.

### Analysis of performance

There were 8278 protection visa finalisation decisions in 2004–05. Finalisation decisions include primary decisions, visa grants resulting from review tribunal decisions and certain visa cancellation decisions. A total of 4601 protection visas (PV) were granted following primary, review or ministerial intervention decision.

These figures represent a significant increase over the numbers of protection visa finalisations and protection visa grants in 2003–04. In that year there were 6324 protection visa finalisations and a total of 1923 protection visa grants. The increase in finalisations and grants in 2004–05 reflects a significant increase in the rate of further protection visa decision-making related to applicants from countries

which historically have had high protection visa approval rates. This has more than offset the impact of a continuing decline in the application rate for initial protection visa applicants which have historically had lower protection visa approval rates.

In 2004–05 there were 3105 initial protection visa applications lodged, down from 3567 in 2003–04.

In 2004–05, 922 of the protection visas granted resulted from initial applications and 3 679 resulted from applications for further protection. Of the total of 4 601 protection visas granted in the year, 895 were counted as part of the Humanitarian Program. The remainder were grants of further protection to temporary protection visa (TPV) holders and offshore temporary humanitarian visa (THV) holders who have already been counted as part of the Humanitarian Program, and grants to Australian-born children of protection visa holders.

Figure 37: Protection visa grants 2004–05

Total grants (persons)	Application type		Visa outcome		
	Initial PV	Further PV	Permanent PV	Temporary PV	
At primary stage	3 236	351	2 885	3 030	206
After review decision	1 348	554	794	1 252	96
After ministerial intervention	17	17	0	11	6
<b>Grand total</b>	<b>4 601</b>	<b>922</b>	<b>3 679</b>	<b>4 293</b>	<b>308</b>

Source: Outcomes Reporting Section, DIMIA.

Of the 4601 protection visas granted in 2004–05, more than 93 per cent were permanent protection visas. This reflects the absence of unauthorised boat arrivals during 2004–05 and the fact that almost all further protection visas granted to temporary protection visa holders were permanent protection visas.

During 2004–05, the department's ministerial intervention support arrangements were streamlined and stronger management and coordination arrangements put in place for the community and detention intervention caseloads. We centralised the management of the detention caseload in Canberra to strengthen liaison with both the detention management areas and the Ministers' offices.

In total, there were 17 protection visa grants in 2004–05 arising from ministerial intervention.

The department has continued to give attention to streamlining onshore protection processing, strengthening arrangements for decision-maker training, country information research and character checking to ensure speedy and robust

decision-making. We had a particular focus on working with other agencies to reduce waiting times for character and other checks beyond our direct control.

We finalised over 79 per cent of initial protection visa applications from applicants not in detention within 90 days of lodgement, excluding periods where there were factors outside our control that prevent finalisation. That figure excludes some refusal decisions on protection visa applications from nationals of countries affected by the December 2004 tsunami. Many of these unsuccessful applications were held unfinalised for a period to allow some stabilisation of the situation in the affected countries. Hand-down of affected refusal decisions began again from 30 June 2005.

The target for protection visa applications from people in detention is for 60 per cent of applications to be finalised within 42 days of lodgement, excluding periods where there are factors outside our control that prevent finalisation. We performed significantly better than this target in 2004–05, finalising 84 per cent of applications within 42 days.

On 13 July 2004, the Government announced new measures for TPV and THV holders. The changes acknowledge that some of these people have made strong contributions to Australia, particularly in regional areas, or have established close links with Australians.

The new measures took effect from 27 August 2004. They include:

- a reintegration assistance package to help those in Australia who wish to return to their home country to re-establish themselves
- provision for the grant of a return pending visa to eligible persons found to no longer be owed protection so they can remain lawfully in the community for an additional 18 months with continuation of payment of benefits while they make arrangements to leave Australia or seek other avenues for remaining
- removal of barriers to apply for a range of mainstream onshore visas.

At 30 June 2005, 274 return pending visas had been granted to eligible persons. Many of these visa holders are still pursuing merits reviews of the decisions to refuse those protection visa applications. Their return pending visas will become effective only if the review tribunal upholds the refusal of their protection visa applications.

The department continued work on country research and analysis to support protection visa decision-making. At the end of June 2005, our Country Information Service (CIS) held 7690 hard copy publications and documents dealing with human rights and refugee issues in other countries. The CIS also held copies of major human rights and country information collections from several other governments, including the United States, Canadian and United Kingdom governments.

The CIS's electronic country information holdings stood at some 87 500 individual information items drawn from over 2600 different sources. Some 26 500 of these information items were added during 2004–05, with over 25 per cent of them added within one day of publication and two-thirds within five days of publication.

Contributions to regional capacity-building included provision of training on Refugees Convention interpretation and refugee decision-making principles to immigration and border officials in PNG and Fiji.

On 17 June 2005, the Prime Minister announced that the department would complete all primary assessments of applications for permanent protection visas from the existing case load of TPV holders by 31 October 2005. He also announced that in future we will need to make all primary protection visa decisions within three months of application. Cases where these time limits are not met will be the subject of periodic reports to Parliament. The reports will include information on why applications have not been finalised within the required timeframe. We are putting in place streamlining arrangements to deliver the commitments on protection visa processing timelines.

Processing activity relating to persons in the Offshore Processing Centre on Nauru is dealt with under Output 1.5.

## Output 1.3—Enforcement of immigration law

### HIGHLIGHTS

#### **Diploma in Forensic Document Examination**

Until 2005 no accredited training in document examination was offered in Australia. The department is part of a joint effort with Australian Federal Police (AFP) and the Western Australia Police Service working with Canberra Institute of Technology (CIT) to develop formal training to provide professional career development for our document examiners. This training will ensure that the decisions they make about genuineness of travel and other documents presented in visa applications will stand up to the rigours of court examination.

By 30 June 2005, the first enrolment of students in the Diploma in Forensic Document Examination had completed the first semester of their studies together with their fellow students from state and federal police services.

#### **Entitlement Verification On-Line System**

The department enhanced its services to Australian employers through the implementation of the Entitlement Verification On-Line (EVO) system. EVO allows registered employers, labour suppliers, licensing authorities and educational institutions to check work rights or study entitlements of visa holders in Australia. Introduction of EVO has led to a sustained increase in the number of employers and labour suppliers conducting work rights checks, with a consequent improvement in Australia's efforts to exclude illegal workers from the labour market.

#### **National Identity Verification & Advice**

The department created a National Identity Verification & Advice (NIVA) section to help case managers identify persons of immigration compliance interest. NIVA seeks to ensure that cases involving complex and potentially sensitive identity issues are identified as early as possible and handled in a consistent and expeditious manner.

#### **Identity**

On 2 May 2005 we created an Identity Policy section within the Identity Fraud and Biometrics branch to meet an emerging need. This section is developing departmental policy to deal with identity management, identity fraud, and legislation and privacy issues as they relate to identity and biometrics, within the context of whole-of-government identity security and international standards.

The initial effort will be focused on developing policies and procedures for registration and enrolment of clients at visa application. They will be used to verify and authenticate a client's identity.

## People trafficking

The department continues to play an active role in the whole-of-government response to people trafficking. This includes identifying indicators of people trafficking and referring cases to the AFP for assessment and possible investigation. Between 1999 and June 2005 we referred 126 cases involving 159 suspected victims of trafficking to the AFP for assessment—investigation action was taken in about 60 per cent of cases. The AFP has charged 14 alleged offenders with people trafficking offences.

The visa arrangements introduced on 1 January 2004 support law enforcement efforts and this includes bridging visa F, witness protection (trafficking), visa—temporary and witness protection (trafficking), visa—permanent. Between 1 January 2004 and 30 June 2005, 42 bridging F visas were granted to suspected victims of trafficking, with 23 of these progressing to criminal justice stay visas (CJSVs) at the request of the AFP. During the same period 26 people were granted CJSVs and two people were granted criminal justice entry visas. As at 30 June 2005, no witness protection (trafficking) visas have been granted.

Profiling of trends around incidence of people trafficking is a key focus for the department. The work of the Senior Migration Officer (Compliance) positioned in Thailand contributes to this activity, as does our work with the Australian Crime Commission (ACC) on the special intelligence operation into people trafficking for sexual exploitation.

## People smuggling

The department works closely with the AFP on people smuggling issues. The joint People Smuggling Strike Team (PSST) has achieved considerable success with prosecution and extradition. Six matters went before the courts resulting in two convictions. In a separate matter, a retrial was ordered after the conviction was quashed.

### Convictions

- In one of the matters, the convictions were made for two counts of offences against s232A of the *Migration Act 1958*, resulting in an eight-year imprisonment and a six-year imprisonment.
- In the other matter, the convictions were made for two counts of offences against s232A of the *Migration Act 1958*, resulting in a 10-year imprisonment and a 12-year imprisonment.



## Migration Agents Taskforce

The Migration Agents Taskforce (MATF), which targets activities of selected registered and unregistered migration agents suspected of being involved in organised malpractice and criminal activity, is investigating 22 primary targets nationally. Other regional investigations resources are also focusing on migration agents.

As a result of MATF activity, one agent has been charged with nine breaches of the *Migration Act 1958*. Further briefs for the Commonwealth Director of Public Prosecution are being prepared in relation to other agents. Ten agents under investigation by MATF have voluntarily de-registered or lost their agent status as a result of action by the Migration Agents Registration Authority. Two co-offenders of MATF targets have had visas cancelled.

## Intermediaries

The department is placing a greater focus on the role played by intermediaries. Intermediaries include migration agents, education agents, labour hire companies as well as some state and territory authorities.

The MATF works closely with other agencies such as the ACC, Australian Taxation Office (ATO), Centrelink and the AFP to collect evidence and apply appropriate sanctions. The department works with the AFP as part of the joint PSST. It works closely with education providers, education agents and students to ensure that the provisions of the *Education Services for Overseas Students (ESOS) Act 2000*, the *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (the National Code)* and the *Migration Act 1958* are met.

During 2004–05 the department engaged a range of licensing and registration bodies to help them with identifying a person's lawful status and entitlement to work. A coordinated strategy is being developed to identify and target the operations of labour hire intermediaries engaging in illegal activities.

## Movement Alert List Review

The Movement Alert List (MAL) is the department's principal electronic alert system and an integral part of Australia's national security and border control strategy.

The 2003–04 Budget funded a wide-ranging review of the purpose, architecture and operation of the MAL. The review found that although MAL is a robust system and has served the department well over many years, it was designed for a different national security environment, with a much smaller number of records, mostly related to immigration and criminal matters, and was largely intended for the department's own use. In the current heightened security environment MAL has been transformed into a whole-of-government front-line tool for the 'War on Terror' and fraud.

The review's main recommendation was the establishment of a centralised onshore MAL Centre to assess MAL matches; currently, assessments are made by hundreds

of officers across the world. The MAL Centre will lead to more effective business processes through a small co-located team working around the clock. Development of the MAL Centre and related IT system changes have been funded through the 2005–06 Budget. Actions taken in 2004–05 to implement review recommendations include revamped arrangements for MAL operator training, increased staff resources and better handling arrangements for the resolution of ‘national security’ type alerts.

### **Indian Ocean Tsunami response**

The department supported the Australian Government response to the Boxing Day 2004 tsunami and its aftermath. Onshore staff members were rapidly deployed as Airline Liaison Officers to help with the uplift and documentation of distressed Australians in the affected areas. We liaised with the DFAT-led Inter-Departmental Emergency Task Force (IDETF) during the emergency uplift phase of the response, and played a critical role in helping verify the location of Australians listed as missing, using the department’s Movements Reconstruction database to assist with the DFAT Consular effort.

### **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.

- System enhancements were introduced in early 2004, enabling the department to obtain advance passenger information in respect of all airline passengers (including those transiting) and crew prior to their arrival in Australia. By December 2004, all 46 airlines that fly to Australia had upgraded to this latest version of the APP system.
- Further enhancements to the APP system were implemented in February 2005 to allow for the processing of crew by passport on arrival. This was a significant streamlining to the immigration screening process as previously crew were processed manually on arrival.

As at 30 June 2005, APP reporting occurred in approximately 98 per cent of passenger air arrivals, an increase from 96 per cent in 2003–04 and 94 per cent in 2002–03.

During the cruise ship season from 26 August 2004 to 24 April 2005, reporting covered 13 761 crew and 23 829 passengers arriving by sea, enabling 99.8 per cent of international cruise ship arrivals to be processed by APP. Thirty seven separate passenger cruise vessel arrivals were reported using APP during this period. Processing of the Carnival Line Sapphire Princess for a Hobart arrival on 7 February 2005, encompassing 2648 passengers and 1080 crew is typical of the volumes handled by the APP system and demonstrates the resource efficiencies of pre-arrival

processing using APP, minimising delays for disembarkation. In addition, trials of the APP system for its future use by cargo vessels were conducted in December 2004 and in May/June 2005. It is anticipated that APP reporting will be progressively applied to sections of cargo shipping from early 2006.

### 1.3.1 REGULATE ENTRY AND DEPARTURE

Figure 38: Performance information—Regulate entry and departure

MEASURES	RESULTS
<b>Quantity:</b>	
17.7 million passenger arrivals/departures processed within the integrity framework.	20 739 848
<b>Quality:</b>	
Increasing proportion of arriving air passengers and crew processed via APP.	Increase from 96 to 98 per cent
Increasing proportion of arriving sea passengers and crew processed via APP.	99.8 per cent achieved
Travel statistics services completed for interagency delivery within agreed timeframes.	87.5 per cent achieved
Persons breaching the Migration Act are prosecuted, removed or have their status regularised.	33 new briefs of evidence submitted to the Commonwealth DPP for consideration. 38 prosecutions initiated and 11 court matters concluded that resulted in conviction.
All immigration Torres Strait Treaty obligations are met through the Movement Monitoring Officer (MMO) network.	All obligations met—around 51 000 traditional movements recorded

#### 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 that is as non-intrusive as possible for genuine travellers. We work in tandem with the Australian Customs Service (ACS) to provide a streamlined immigration clearance process. To achieve these goals, we have established cooperative relationships with airlines and, more recently, the cruise shipping industry, and invested in systems that enable checks of travellers' immigration status before they board planes and cruise ships to Australia.

#### Analysis of performance

In 2004–05 there were 20.7 million air passenger and 1.2 million aircrew arrivals and departures compared with 18.6 million air passenger and 1.1 million aircrew arrivals and departures in 2003–04. This is an increase of 11 per cent in passenger numbers.

### 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. All 46 airlines that fly to Australia have upgraded to the latest version of the APP system, which completes this phase of the roll-out of mandatory APP in the aviation sector.

APP reporting, as at 30 June 2005, was occurring in approximately 98 per cent of passenger air arrivals in 2004–05, an increase from 96 per cent in 2003–04 and 94 per cent in 2002–03.

During the cruise ship season from 26 August 2004 to 24 April 2005, APP reporting covered around 13 000 crew and more than 23 000 passengers arriving by sea, enabling 99.8 per cent of all international cruise ship arrivals to be processed using the APP system. In addition, trials of the APP system for its future use by cargo vessels were conducted in December 2004 and in May/June 2005. It is anticipated that the APP reporting will be progressively applied to sections of cargo shipping from early 2006.

### Seaports

As an outcome of the Government's Maritime Security Review, the department was funded \$12.3 over four years to increase participation in vessel boarding with ACS at Australia's seaports. A particular focus will be on document examination to counter the risk of identity fraud.



*Immigration Officers conducting document examination onboard a vessel in WA.*

There are now 23 dedicated departmental seaports officers in state and territory offices and regionally in Port Hedland and Cairns. Since January 2005, immigration clearance training has been delivered to ACS officers at most major and several regional ports. During the April–June quarter, immigration officers boarded 468 vessels for the purposes of examining crew and passenger documents and resolving case referrals identified by the ACS as being of potential immigration concern. This activity has contributed to 426 persons refused entry at seaports in 2004–05. The visible presence of immigration officers at the front line provides a deterrence to those who may attempt to enter Australia unlawfully.

### Documentary requirements for maritime crew

From 1 July 2004, new arrangements to increase identity checking for maritime crew were enforced. This requires ships' crew to hold both a valid passport and another document linking them to the ship on which they are employed. This followed a transitional period from 1 November 2003 to 30 June 2004 to assist the shipping industry in meeting the new documentary requirements. Enforcement action includes:

- penalties for carriers in relation to crew arriving without adequate documentation
- the prevention of shore leave for crew
- restriction of crew onboard a vessel.

In 2004–2005, more than 295 000 crew arrived in Australia—around 190 of them without the required documentation. This represents 0.06 per cent of all crew arrivals and demonstrates a high level of compliance by the shipping industry with the documentary requirements.

### 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 \$5000 for a body corporate or \$3000 for a person.

The net number of infringement notices served on airlines for bringing improperly or undocumented passengers into Australia dropped significantly from 2354 in 2002–03 to 1211 in 2003–04, a decrease of more than 48 per cent. In 2004–05, 993 infringement notices were served on airlines, a further 18 per cent decrease. At their peak in 1999–2000 more than 5000 infringement notices were issued.

The decrease points to a reduction in the incidence of inadequately documented arrivals. The APP system and the Airline Liaison Officer (ALO) network particularly have contributed to this reduction. We continue to work with airlines to further reduce inadequately documented arrivals.

The net number of infringement notices served on shipping vessels was 50 in 2004–05. While there was an initial increase in infringement notices in the maritime industry following the enforcement of the new documentary requirements from 1 July 2004, the rate of infringements has since reduced, indicating that the new arrangements are now generally adhered to.

### Entry Operations Centre

To help carriers comply with the requirements of the *Migration Act 1958*, the Entry Operations Centre (EOC) provides an around-the-clock help desk facility to airlines and the shipping industry. It gives carriers information about the immigration status of individuals intending to travel to Australia.

While this service has been available to airlines for some years, it was extended to the shipping industry in June 2005, in concert with the introduction of APP and the new documentary requirements for maritime crew.

### Regional cooperation—Regional Movement Alert List

The Regional Movement Alert List (RMAL) system is an Asia–Pacific Economic Cooperation (APEC) counter-terrorism initiative. The objective of RMAL is to strengthen the collective capacity of border management agencies to detect lost and stolen passports and, if necessary, prevent their use for travel or boarding of flights to participating APEC economies.

In November 2004, a feasibility report was presented to APEC leaders by Australia and the United States. The report noted that a RMAL system was feasible and that a pilot should proceed.

APEC leaders tasked Australia and the United States with developing a pilot RMAL system in which both countries would access each other's lost and stolen passport data as part of their respective border management processes. The department is the lead agency within the Australian Government to develop and implement the pilot.

The pilot will be conducted in 2005–06, initially between Australia and the United States. It will test the multilateral accessing of passport databases by participating APEC economies. In February 2005, the New Zealand Government confirmed that it will participate, and is expected to join the pilot in late 2005.

Australia and the United States will report to APEC leaders in November 2005 on the progress of the pilot. The prospect is that other APEC economies could become involved.

### Regional cooperation—Advance Passenger Information Systems

Australia continued to promote the benefits of Advance Passenger Information (API) systems within the APEC group, including common standards in the development of the systems. The implementation of API systems is an endorsed counter-terrorism

measure and 'Pathfinder Initiative'. It was adopted by APEC leaders at their meeting in Mexico in October 2002, and reaffirmed at subsequent meetings in 2003 and 2004.

To advance this initiative, Australia is providing a range of APEC economies with an API feasibility study report assessing the capacity of their existing border management systems to integrate with an API system. The reports identify a range of issues governments need to consider when developing their own API systems, including the current border management systems infrastructure and business processing.

Australia presented three API feasibility study reports in 2004–05 to South Korea (November 2004), Chinese Taipei (December 2004) and the Philippines (April 2005). A feasibility study was conducted for the People's Republic of China in 2004. Further studies are planned for 2005–06.

The API feasibility study project 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 regional border control processes, thereby boosting Australia's capacity to manage its own borders.

### 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. We will provide enhanced border functions for the Games, including additional staff at airports onshore and offshore. A Commonwealth Games Travel Authority system will shortly be completed. The system is specifically designed to facilitate the security checking and travel of Games athletes, coaches and other officials.

### Migration fraud investigations

The department is responsible for the investigation of offences under the *Migration Act 1958* and the *Citizenship Act 1948*. Outcomes of those investigations may result in criminal prosecutions, administrative action or regulation of status. A number of court matters were initiated, concluded or were ongoing during 2004–05.

33 new briefs of evidence were submitted to the Commonwealth Director of Public Prosecutions for consideration, 38 prosecutions were initiated and 11 court matters were concluded that resulted in convictions.



### 1.3.2 PREVENT UNLAWFUL ENTRY

Figure 39: Performance information—Prevent unlawful entry

MEASURES	RESULTS
<b>Quantity:</b>	
1002 persons refused entry (excluding unauthorised boat arrivals).	2058
1000 unauthorised boat arrivals (illegal fishers, stowaways and deserters).	1551
<b>Quality:</b>	
Cost of Airline Liaison Officer (ALO) network compared to costs avoided through non-entry of inadmissible non-citizens as a result of interdictions by ALOs	Cost of ALO program: \$3.4 million. Direct avoided costs estimated at around \$6.6 million
Number of visas cancelled offshore over time.	1940 (2.7 per cent decrease from 1993 in 2003–04)

#### 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. We employ a range of strategies to detect and prevent unlawful entry through the use of deterrents and law enforcement as well as engaging other countries in efforts to deal effectively with irregular flows of people.

Our operations concentrate on:

- preventing unlawful entry by people who are improperly documented, who constitute a threat to the community on national security grounds, who have a criminal background or otherwise fail to meet the requirements for entry
- preventing people smuggling activities
- combating unauthorised boat arrivals through prevention and deterrent strategies
- assisting in the prevention of fraud against the department’s visa programs.

## Analysis of performance

### Refused immigration clearance

#### *Arrivals by air*

1632 people were refused immigration clearance at Australian airports in 2004–05. This is an increase of 31 per cent over the 1241 people refused in 2003–04.

The number of persons refused immigration clearance in 2004–05 was 0.015 per cent of passenger air arrivals, compared with 0.013 per cent of passenger air arrivals in 2003–04.

This increase can be attributed to factors including sophisticated fraud detection measures, the pre-arrival assessment of passengers and an increase in total passenger arrivals. The number of inadequately documented arrivals in Australia has reduced, pointing to the value of the APP system and the Airline Liaison Officer (ALO) network.

97.5 per cent of those refused immigration clearance at Australian airports in 2004–05 were removed within 72 hours, in most cases on the next available flight.

#### *Arrivals by sea*

In 2004–05, there were 426 people refused immigration clearance at Australian seaports.

This is the first time that this figure has been reported for seaports arrivals. The number of people arriving by sea who were refused immigration clearance in 2004–05 reflects at least in part the introduction of new documentary requirements on 1 July 2004.

The initial peak in the first quarter of 2004–05 has subsided, and we expect that continuing high levels of compliance with documentary requirements will see a reduction in the number of refused immigration clearances in 2005–06.

### Deserters and stowaways

In 2004–05, 12 deserters and 25 stowaways were located, compared to 24 and 11, respectively, in 2003–04.

### Airline Liaison Officer (ALO) Network

ALOs 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 2004–05, 207 persons attempted to travel to and enter Australia on forged or fraudulent documentation. This is a reduction of 14 per cent on the 2003–04 figure of 242, suggesting better offshore and onshore screening is a significant deterrent to those seeking to use these documents.

Of the 207 persons, ALOs interdicted 179 (86 per cent) compared to 223 (92 per cent) in 2003–04. In 2004–05, 28 of those travelling on forged documents were identified on arrival.

In some locations, Australia's ALOs share information with the ALOs of other countries and host governments, contributing to international action against people smuggling. For example, during 2004–05, the ALO network has helped prosecute people smugglers by recognising information and documents of evidentiary value outside Australia and referring them to authorities in Australia. Other examples include:

- 11 Afghan passengers identified by the APP system, were found to have counterfeit Australian visas and were prevented from travelling
- a passenger identified by an ALO as being of potential concern and later found by the Australian Customs Service (ACS) to be carrying a significant amount of illegal narcotics
- assistance from a host country's immigration authorities that led to the identification of two passengers with bogus travel documents, and in turn to an organised people smuggling group.

In cooperation with ALOs from other countries, Australian ALOs helped interdict 2543 persons travelling to a variety of countries in 2004–05. This compares to 1613 persons in 2003–04.

During 2004–05 the ALO network increased to 17 ALOs at 12 locations.

### Training

The department continued its program of targeted compliance training and briefings for various staff and associates in overseas posts. In 2004–05, 62 ALOs, 48 departmental officers posted overseas and 22 locally engaged employees completed compliance and document examination training programs in Canberra. The programs increased their skills to identify, analyse and combat fraud in travel documents and other documents submitted with visa applications. Ten airline and ground handling supervisors from Jakarta and Denpasar took part in border and visa systems and document examination training in Canberra and Sydney.

### Document examination

The National Document Examination Unit completed a number of projects to reduce the incidence of document fraud:

- EDISON TD, a database system of travel documents, is now available on the department's network, allowing access by onshore officers on the desktop
- Document examination alert notices (DEAN), a searchable repository of fraudulent travel documents detected both onshore and offshore, is now available on DIMIANet and a standalone DVD/CD based version

- Twenty-four departmental staff across Australia enrolled in the newly developed Diploma in Forensic Document Examination at Canberra Institute of Technology. Among them were five document examination trainees undergoing a 3–5 year work-based training program that will enable long-term succession planning and growth of specialist officers in this field.

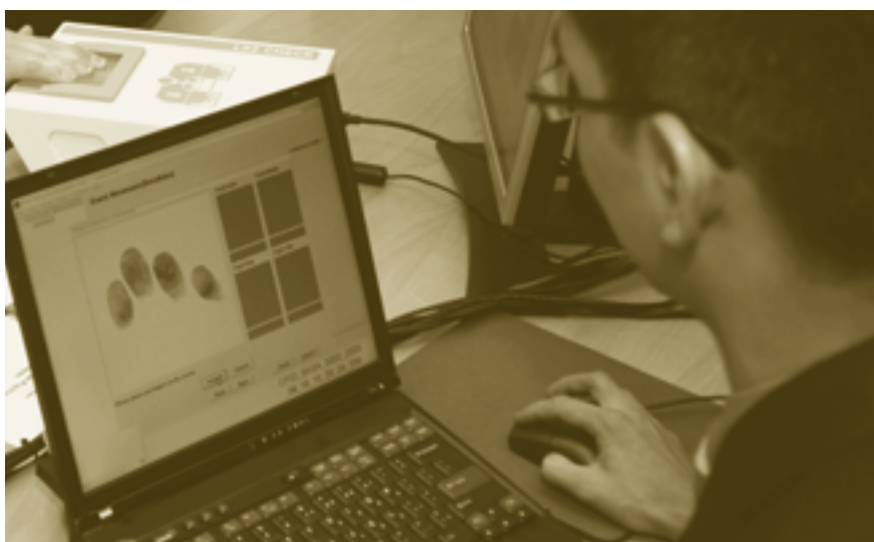
EDISON OD, a database system of documents other than travel documents, is under development. We expect it to be available to the initial user group during 2005–06.

The department's document examiners contributed to regional security initiatives, including by providing expert training to the South East Asia Regional Centre for Counter-Terrorism (SEARCCT). They participated in our capacity-building initiatives with training in countries such as the United Arab Emirates, Vietnam, Jordan, Iraq, Pakistan, Afghanistan and Cambodia.

Document examination training took place in 11 locations overseas over 11 weeks covering nine countries. We provided 371 officers from foreign immigration services with three days training in advanced document examination, with 39 of those trainees also being involved in document examination laboratory training. We also provided training in Australia to Philippines immigration officials.

### Biometrics

The department's work on biometrics progressed. The *Migration Legislation Amendment (Identification and Authentication) Act 2004* came into effect on 27 August 2004 and since then a number of regulations have been made to enhance biometric



*The finger print collection system being used in the Integrated Biometrics Trials—August–December 2005.*

collection and disclosure provisions. These regulations have been introduced as our requirements have unfolded during biometric operational trials.

A Biometric Test Facility was designed to test the business impact of biometric collection under controlled laboratory conditions. It was decommissioned in late 2004. This was extended to a series of live operational trials in real environmental settings, including detention centre, airport and overseas post environments.

The first of these trials of biometric enrolment and operational procedures at Maribyrnong Immigration Detention Centre was completed successfully in June 2005. The lessons learned will be used to inform the future implementation of biometric enrolment in the department's identity and border management processes.

The functionality of the Identity Services Repository continues to be enhanced as the technical cornerstone of the department's identity management strategy.

The 2005–06 Budget provided \$42.4 million over four years for us to develop further biometrics for client identification and border control. This funding will be used to:

- enhance our Identity Service Repository (ISR) to provide the capacity for all identity information on non-citizens obtained during visa application and entry processing to be managed and tracked by one key system. The ISR will contain biometrics (face and fingerprint images) and will have a capability to automatically search and match biometric and associated identity details
- implement biometric matching with alert systems
- deploy biometric collection equipment to onshore and offshore departmental locations where potentially high-risk visa applicants and travellers are processed.

### War crimes screening

The department's War Crimes Screening Unit (WCSU) pays particular attention to applicants from regions where conflicts have led to human rights abuses. Individuals suspected of having been involved in war crimes are listed on our Movement Alert List (MAL). MAL now lists more than 7000 names related to war crimes and crimes against humanity.

881 cases were referred to the WCSU for screening advice during 2004–05, which is an increase of 21 per cent over 2003–04. Of 881 referred cases, 738 cases were cleared and seven recommendations were made for refusal in relation to war crimes.

### Enhanced Cooperation Program

The Enhanced Cooperation Program (ECP) agreed by the governments of Australia and Papua New Guinea (PNG) in December 2003 was designed to support PNG in the key sectors of economic and fiscal management, law and order and border security. The ECP is currently being reviewed by the two governments due to constitutional issues in PNG relating to the implementing legislation.

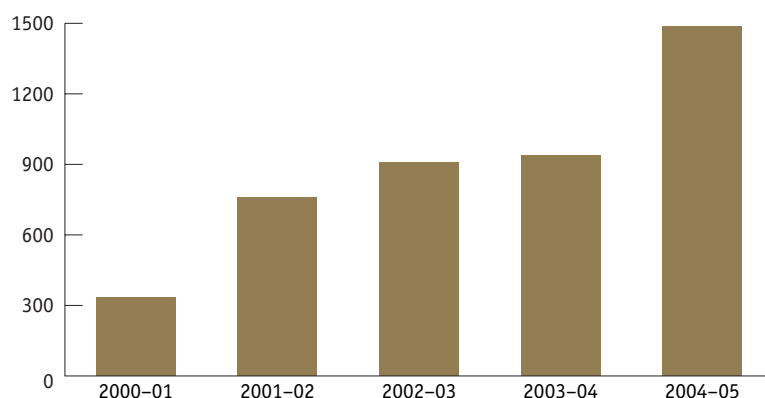
The International Organization for Migration (IOM) has delivered a major report commissioned under ECP on PNG border management structures. The report included a multi-year program for improving border management systems in PNG. Four departmental officers have been progressively deployed to PNG since February 2004 to help PNG with a range of immigration-related projects to implement aspects of the IOM report.

### Illegal foreign fishers

Illegal foreign fishers apprehended for alleged breaches of the *Fisheries Management Act 1991* (FMA) are held in fisheries detention on enforcement visas for a maximum of seven days (168 hours) while fisheries authorities conduct investigations into the alleged offences and determine which fishers are to be charged. An enforcement visa is granted by operation of law, not by application. When the person is released from fisheries detention, their enforcement visa ceases to be in effect. They become unlawful non-citizens and must be detained under the *Migration Act 1958* (Migration Act) and removed as soon as reasonably practicable. Unlawful non-citizens apprehended for alleged breaches of the *Torres Strait Fisheries Act 1985* (TSFA) are detained under the Migration Act from the time of their apprehension until their removal from Australia as unlawful non-citizens. Amendments to the FMA, TSFA and the Migration Act were passed by Parliament on 10 August 2005 to regularise this framework, including creating an enforcement visa regime for foreign fishers apprehended under the TSFA in the Torres Strait Protected Zone.

In 2004–05, there were 1485 illegal foreign fishers apprehended for alleged fisheries offences. Of these, 1417 were removed, and at 30 June 2005 the remainder were either awaiting prosecution for alleged fisheries offences or were serving custodial sentences. This is compared to a total of 894 fishers removed in 2003–04.

Figure 40: Number of illegal foreign fishers apprehended in Australia's northern waters by financial year



### Infrastructure services

In January 2005, the Government announced more effective arrangements for the processing and detention of illegal foreign fishers apprehended in northern Australian waters for suspected fisheries offences. This decision recognises the increasing difficulty of managing boat-based detention and the desire to improve existing detention arrangements for apprehended fishers. Central to the new arrangements will be a land-based detention facility in Darwin, capable of holding around 250 detainees awaiting prosecution or repatriation.

These new arrangements demonstrate a commitment to the welfare of illegal foreign fishers and address the need for an ongoing accommodation capacity in Darwin to deal with the growing illegal foreign fishing problems in our northern waters. Currently, pending the completion of this project, apprehended fishers are being moved from their vessels and transferred as soon as practicable to existing immigration detention facilities in southern Australia. Other forms of land-based detention accommodation, such as motels or police holding facilities, may also be used for transit purposes until transfers are arranged.

The objective of the upgrade project is to establish a safe and secure land-based detention facility for illegal foreign fishers apprehended in Australian northern waters. Other persons detained for compliance reasons may also be accommodated there.

## Detecting illegal foreign fishers in Australian waters

In operations coordinated by the Australian Fisheries Management Authority (AFMA), Australia apprehends and detains illegal foreign fishers in its waters to protect its natural resources, maintain the integrity of its borders, and uphold its sovereignty. Illegal foreign fishing poses significant quarantine, conservation, environmental and security risks. This risk has increased dramatically over the past five years. The department's role in supporting AFMA's activity in this area has grown significantly in recent years.

The main target of the foreign fishing vessels (FFV) is shark fin, which is a lucrative commodity on Asian markets, and large quantities of reef fish, such as red snapper. Protected species, such as dugong and dolphin, have also been found among the catch.

The activity is highly organised rather than traditional. Many of the FFVs are

fitted with sophisticated equipment such as Global Positioning Systems, ice storages and other valuable commercial equipment. A typical FFV carries around seven crew, but the larger ice-boats, which are increasing in number, carry around ten to 12 crew. Once the illegal foreign fishers come into immigration detention the department's role is to return them to their home country.

In an effort to enhance processing and detention arrangements for the illegal foreign fishers, the government announced in January 2005 that the existing contingency immigration detention site at the Defence Establishment at Berrima would be developed as a permanent detention facility. The new facility will provide enhanced amenities for the illegal foreign fishers and enable their speedier processing and repatriation.



### 1.3.3 DETECTION ONSHORE

Figure 41: Performance information—Detection onshore

MEASURES	RESULTS
<b>Quantity:</b>	
22 945 persons located.	18 341
<b>Quality:</b>	
Number of visas cancelled onshore following breaches, over time.	20 313 (12 per cent increase from 18 098 in 2003–04) 88 per cent of s.140 cancellations were subclass 457 temporary business visa holders. 34 per cent of all cancellations were subclass 457 visa holders. Cancellations of subclass 457 visa holders and family members who hold subclass 457 visas have increased by 44 per cent over the past 3 years. Many of these are administrative cancellations when, for example, a person leaves Australia before the visa ceases.
Number of overstayers who cease being overstayers within 2004–05 compared with the number of non-citizens becoming overstayers in the same period.	Approximately 13 970 compared to 9550 non-citizens becoming overstayers.
Intermediaries are engaged to contribute to the reduction of breaches of the Migration Act.	A large number of Australian employers, labour suppliers and licensing authorities have been contacted by the department and are now conducting immigration checking of prospective employees and licence holders. Over 60 000 work entitlement checks were attempted by employers through the department's Entitlement Verification Online (EVO) system throughout the year. Of which, over 41 000 successful checks were returned. Licensing authorities remain a key target in our intermediary strategy, with an example of successful engagement being the New South Wales Government's Ministry of Transport enrolment as users of EVO. That Ministry now routinely checks the work rights of taxi driver licence applicants, helping the department deal effectively with a high risk industry for illegal work. Some 15 052 people requiring transport security clearances have been checked.

## Objective

To:

- identify and respond to breaches of immigration law in Australia
- 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 (for example, illegal workers).

## Description

The department aims to prevent and deter breaches of immigration law. Where this is not possible we seek to detect and locate those who have breached immigration law. People found in breach of immigration law may have their visas cancelled, face prosecution and be removed from Australia. This output component also incorporates the investigation and prevention of organised fraud and immigration malpractice in the Australian community and the engagement of intermediaries such as licensing bodies and employers to contribute to the reduction of breaches of the Migration Act.

## Analysis of performance

During the program year there has been an increased focus on intermediaries, ongoing cooperation through the Employer Awareness program and a decline in the overstayer pool.

In 2004–05 the department located 18 341 persons who had either overstayed their visa or were in breach of their visa conditions. This is a 9 per cent reduction on the numbers located in 2003–04. This follows increases of nearly 25 per cent from 2001–02 to 2002–03.

The number of people who approached us of their own accord, in response to notification of intention to cancel or because of requests to attend, decreased by 16.9 per cent over the previous year. Locations in the field increased by 2.5 per cent. Out of the 9062 field locations, 3680 were specifically recorded as working illegally.

Of the 18 341 people located in 2004–05, around 10 900 were extended bridging visas and a further 4100 departed. The bridging visas are largely aimed at maintaining a person's status while they are making arrangements to depart Australia, or to allow them to lodge a substantive visa application or pursue the merits or judicial review of a visa decision.

### Employers and other intermediaries

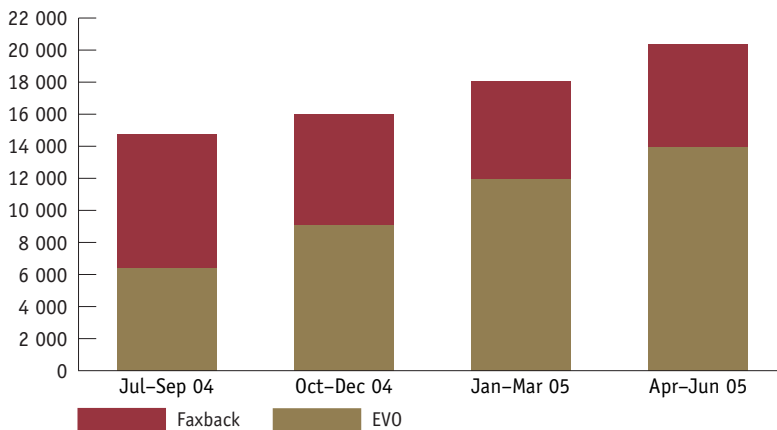
A major focus over the past 12 months and a continuing strategy was the focus on 'intermediaries' such as employers, migration agents, education providers and labour hire companies that can play a strong role in helping people adhere to migration law. We sought to maximise these opportunities and take action.

The department progressively rolled out the Entitlement Verification On-Line (EVO) system. This is an Internet-based real-time visa entitlement checking system that allows employers, labour suppliers, licensing authorities and educational institutions to check work rights and other entitlements of visa holders in Australia.

The EVO system has gained widespread acceptance from employers and is already the department's principal vehicle for work rights checking, as seen in Figure 42. During the year over 800 employers and labour suppliers received over 41 000 work rights checks in relation to prospective employees. Feedback from those employers indicates a high level of satisfaction with the service, as they get an answer on the spot (compared with 24 hours or more for faxback). In addition, the employer does not need to keep any paperwork as the department keeps a record of who has been checking and what checks have been made.

Employers continue to take advantage of the Employer Work Rights Fax-Back Facility and the Employer Work Rights Checking Line, with 20 628 calls and 27 283 faxes dealt with during the year.

Figure 42: Number of checks conducted through EVO and Faxback in 2004–05



The department continues to conduct employer awareness training sessions to educate employers about work rights with the aim of reducing the number of illegal workers. We delivered 1090 employer awareness sessions compared to 2391 in 2003–04, primarily in businesses where illegal workers had previously been located.

Licensing and registration bodies are engaged and undertake checking of immigration status of employees proactively. Bodies which began to use EVO included the: Queensland Office of Gaming Regulation; Queensland Building Services Authority; New South Wales Treasury—Office of State Revenue; New South Wales Police Security Industry Registry; New South Wales Ministry of Transport; West Australian Police—Licensing Division; West Australian Hairdressers Registration Board; West Australian

Department of Consumer and Employment Protection; Medical Board of Western Australia; Builders Registration Board of Western Australia; Victorian Police—Licensing Services Division; Victorian Taxi Directorate; and Northern Territory Racing, Gaming and Licensing Authority.

For example, the NSW Government's Ministry of Transport now routinely checks the work rights of taxi driver licence applicants, helping us deal effectively with a high-risk industry for illegal work. In 2004–05, 15 052 people requiring transport security clearances have been checked.

We issue Illegal Worker Warning Notices to employers or labour suppliers who have employed or referred illegal workers. The notice advises employers they have employed an illegal worker and advises of the possibility of further prosecution. In 2004–05 we issued 2280 notices, an increase of 20 per cent over 2003–04. A total of 90 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
- retail trade
- personal and other services (sex industry).

### Community information

Information from the public supports the Government in its efforts to maintain the integrity of our Migration Program. The community uses a range of avenues to report instances of malpractice, the prime method being by telephone. We took 35 706 phone calls to our '13' and '1800' numbers dealing with dob-in information. 10 549 of these calls were to the toll free 1800 009 623 national Immigration Dob-in Line number. A free national dob-in fax service is also available.

### Students

The number of student visa cancellations was 8140\* in 2004–05, compared to 8245 cancellations in 2003–04.

This continues to reflect the introduction in 2001 of arrangements that provide for the automatic cancellation of visas for overseas students who fail to meet the minimum class attendance requirement or achieve satisfactory academic results. A visa holder must satisfy course requirements and, where such records are kept, attend at least 80 per cent of scheduled course contact hours.

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\* This figure is based on cancellations data as at 30 June 2005. Following a decision of the Federal Court, a number of cancellations were reversed on 17 August 2005. This will be reported on in 2005–06.

Education providers must report students in breach of their conditions to the department. They must also send the student a notice of breach, which requires the student to attend a departmental office within 28 days to explain the breach. If the student fails to comply with the notice 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. Condition 8202 provides that a visa holder must satisfy course requirements and attend at least 80 per cent of scheduled course hours.

In 2004–05:

- 2250 students had their visas cancelled automatically under section 137J of the *Migration Act 1958*. This compares to 2269 cancellations in the previous year and represents 28 per cent of all student visa cancellations made in 2004–05.
- Cancellations of student visas under other provisions of the Migration Act (Sections 109, 116, 128, 140 and 501) decreased slightly from 5962 in 2003–04 to 5890 in 2004–05. 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. Overall, the changes in cancellation numbers from 2003–04 to 2004–05 have been marginal and indicate stability within the Student Visa program.

### Compliance training

The department offered two modules of compliance training:

- Module 1 comprised one week of training in a range of competencies, including the proper exercise of relevant legislative powers. It primarily targeted operational staff occupying a compliance field or a team leader role.
- Module 2 comprised a further one week of training delivered some months after Module 1. It reinforced the earlier training and focused on operational planning and the team leader's role. It primarily targeted compliance team leaders and compliance managers.

105 officers were trained in Module 1 and 79 were trained in Module 2 of the department's onshore compliance training program.

At 30 June 2005, of the 233 operational compliance staff in state and territory offices, 211 (91 per cent) had completed Module 1 training since June 2003; of the 93 compliance team leaders and managers who were involved in some form of field activity, 66 (71 per cent) had completed Module 2.

A tender process is under way to engage one or more registered training organisations as the existing contract expired on 30 June 2005. New arrangements will take into account the recommendations of the Palmer Report.

*The Department of Immigration and Multicultural and Indigenous Affairs is committed to working together with other government agencies in an effort to prevent access to illegal work in Australia.*



## Working together to identify illegal workers

The department works closely with the Australian Taxation Office, Centrelink, and Australian Federal Police and State Police authorities to locate and identify illegal workers. Regular visits are made to workplaces in many parts of Australia, including restaurants, farms, shops, offices and factories, where it is suspected that people are working illegally.

Illegal workers create a number of problems within the Australian community. For example, they:

- place an additional burden on the taxpayer in terms of uncollected taxes and fraudulently claimed government benefits and costs associated with locating and removing them

- disadvantage employers who employ legal workers because they may not be able to compete with the lower overheads of those who employ and under-pay illegal workers
- may be subject to exploitation and organised criminal activity
- may take work opportunities away from Australian citizens and permanent residents.

In the 2004–05 financial year, the department located over 18 000 people who had overstayed their visas or breached their visa conditions.

*Photo above: Centrelink officials assist DIMIA in a field operation in an effort to locate illegal workers.*

### Overstayers

The number of overstayers at 30 June 2005 was estimated at 47 800, a significant decrease on previous estimates of around 51 000 at 30 June 2004 and 59 800 at 30 June 2003. 'Overstayers' are people who are suspected of remaining in the Australian community unlawfully after their temporary visa expires. The estimate does not include around 228 overstayers who were in immigration detention at the estimate date.

The department attributes the continued decrease in the estimated number of overstayers to a number of factors. One of them is a sustained improvement in relevant data quality. There has also been a high level of adherence to conditions of entry to Australia, which is a product of effective screening arrangements overseas.

The overstayer estimate is based on immigration records going back to 1981. In that time there have been over 300 million passenger and crew movements across Australia's borders, including many millions of non-citizens entering Australia temporarily. This suggests an error rate in the data of less than one thousandth of a percentage point over time.

At 30 June 2005, the median identified period of overstay was approximately 34 months. This represents a decrease of around three months since June 2004.

### 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 is of great assistance in locating these persons. Data-matching is limited by the (Commonwealth) *Privacy Act 1988*, which restricts the number of records that can be matched and the basis upon which data-matching can occur.

The department has finalised data-sharing arrangements with the ATO through a Memorandum of Understanding and the development of an online records checking system. This system, called Unlawful Non-Citizen Location Enquiry (UNCLE), was commissioned on 1 June 2005 and allows authorised immigration compliance officers to conduct online checks of ATO records in relation to people believed to be unlawfully in Australia.

### 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 illegally in the cash economy. Regular meetings discuss mutual issues of concern and joint field operations conducted throughout Australia. A trial out-posting of a Centrelink officer to the department's compliance operation in our NSW office has contributed to the whole-of-government approach to the cash economy by helping to deliver over \$1 million in savings to Centrelink. Similar arrangements are being pursued in other states.

## Identity management

The department established an Identity Policy section and a National Identity Verification and Advice section (NIVA) to improve the management of client identity.

Identity Policy section is developing departmental policy to deal with identity management, identity fraud, legislation and privacy issues as they relate to identity and biometrics. The section takes into account the whole-of-government identity security and international standards work in developing departmental identity policy.

NIVA was created to help case managers deal with identification of persons of immigration compliance interest. NIVA is staffed by experienced officers who understand the links between the legal, policy and operational issues relevant to identification, and makes use of resources within and outside the department who can provide expert advice.

The creation of NIVA centralises the checking process for cases where it is difficult to establish identity, with the principal focus being on persons in immigration detention. In addition to reviewing and analysing checking processes previously undertaken in particular cases, NIVA also manages an 'early warning' mechanism whereby cases involving complex identity issues are systematically referred to it for advice. NIVA ensures that cases involving complex and potentially sensitive identity issues are identified as early as possible and handled in a consistent and expeditious manner.



*Patimah Burke, Regional Manager of the Cairns office, and Leonie Gray, a Compliance Officer in Cairns, using the Unlawful Non-citizen Location Enquiry system to find possible addresses of unlawful non-citizens.*



### 1.3.4 REMOVALS

Figure 43: Performance information—Removals

MEASURES	RESULTS
<b>Quantity:</b>	
13 777 removals and departures.	12 524
<b>Quality:</b>	
Proportion of bridging visa holders who become unlawful or breach bridging visa conditions is maintained or reduced without increasing proportion of locations detained.	2.8 per cent compared to the past 3-year average of 3.1 per cent. This compares to the proportion of locations detained 0.56 per cent in 2004–05 compared to the past 3-year average of 0.55 per cent.

#### 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

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.

Removals fall into the following categories:

- removal of non-citizens unlawfully in Australia because they are overstayers or they have had their visas cancelled for breaching visa conditions. Such removals include monitored and supervised (i.e. unescorted) departures
- removal of people who arrived in Australia without authorisation/unauthorised arrivals and who do not engage Australia's protection obligations
- removal of people whose visas have been refused or cancelled for 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 those provisions, and the removal of persons subject to them, is concern for the safety and welfare of the community. A decision to refuse or cancel a visa or deport balances these factors against the rights of individuals 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 2004–05 there were 12 524 removals and departures of persons who had no authority to remain in Australia, compared to 12 689 in 2003–04 and 13 878 in 2002–03.

#### **Character removals**

There were 47 removals of persons whose visas were cancelled or refused under section 501 of the Migration Act, compared with 60 in 2003–04.

#### **Decisions made by the Minister personally under section 501**

The number of section 501 decisions made personally by the Minister was 14 in 2004–05, compared with 17 in 2003–04 and 189 in 2002–03.

When the Minister personally cancels a visa under section 501, the former visa holder does not have access to merits review of that decision, although judicial review is still available.

#### **Illegal foreign fishers—Rapid repatriation**

Illegal foreign fishers are apprehended in Australia's northern waters—particularly north and east of Arnhem Land and deep in the Gulf of Carpentaria.

In 2004–05, 1485 illegal foreign fishers were apprehended for alleged fisheries offences. Of these, 1417 were removed prior to 30 June 2005. The remaining 68 were removed after this date because they were either awaiting prosecution for alleged fisheries offences or were serving custodial sentences. This compares with 894 fishers who were removed in 2003–04.

In July 2004, the department implemented a 'rapid repatriation' program which effectively separates the vessel bonding process managed by the Australian Fisheries Management Authority (AFMA) from the removal process managed by the department. Under this program, illegal foreign fishers not charged are removed to their home country as soon as reasonably practicable. Prior to the implementation of this program, the average detention period lasted between four and six weeks. Now, with rapid repatriation, the average detention period for illegal foreign fishers is around seven to ten days.

## Operation Clear Water

From 12 to 22 April 2005, the Australian Customs Service coordinated a multi-agency operation that resulted in the interception of 29 foreign fishing vessels carrying 258 crew. Departmental staff from Central Office, Perth and Darwin offices played an integral role in the operation in relation to the detention and removal of illegal foreign fishers. Of the 258 crew apprehended, 65 faced charges under fisheries legislation. Of the 193 who were not charged, 104 were repatriated during the operation—a commendable effort under any circumstances! The average period of time in detention of an illegal foreign fisher who was not charged was eight days.

### 1.3.5 DETENTION

Figure 44: Performance information—Detention

MEASURES	RESULTS
<b>Quantity:</b>	
97 000 unauthorised boat arrival detainee days.	71 224
250 000 non-boat detainee days in Immigration Detention Centres and other state facilities.	299 470
<b>Quality:</b>	
Formal arrangements in place with relevant state authorities for education, police, corrections, child welfare and health issues.	<p>Six MOUs (as at 30 June 2005) are in place with four states on matters of child protection, child welfare and education, as well as an MOU with the Australian Red Cross.</p> <p>Two MOUs are nearing finalisation, and progress is being made with nine others with five states for issues, including improvements to health arrangements, child protection, education and policing.</p>
Manage the delivery of detention services in accordance with the Immigration Detention Standards and other contractual requirements, with any breaches addressed.	Monitoring of contractual requirements occurred with breaches addressed.
All unaccompanied minors and women and children assessed against relevant instructions for alternative detention arrangements.	<p>Every opportunity was taken to place women and children in alternative arrangements. As at 30 June 2005, 10 women and 23 children were accommodated in Residential Housing Projects and community arrangements.</p> <p>Following amendments on 29 June 2005 to the <i>Migration Act 1958</i>, arrangements were successfully progressed for all women with children to be released on a visa or moved into residence determination arrangements within the community by the end of July 2005.</p>
All cases for people in detention reviewed regularly to ensure progress of relevant processes.	<p>The Detention Review Committee (DRC), comprising representatives from many areas of the department, met regularly and frequently to:</p> <ul style="list-style-type: none"> <li>• identify and progress the cases of individuals in detention</li> <li>• identify broader trends and issues in detention activities</li> <li>• ensure a cooperative and coordinated approach across departmental Divisions to resolve detention cases.</li> </ul> <p>The Executive DRC was established in July 2004 to extend the effectiveness of the DRC by providing a high-level forum to deal with more complex issues and cases.</p>

## Objective

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

## Description

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

## Analysis of performance

### Caseload management

A total of 8587 people were detained at some time during 2004–05, compared to 7492 in 2003–04 and 7934 in 2002–03. The maximum number held in detention on any one day was 1154 compared to 1263 in 2003–04 and 1409 in 2002–03.

The number of persons in detention at 30 June 2005 was 862, of whom 28 had applied for a protection visa but had not yet received a primary decision on that application. This compared with 1143 at 30 June 2004 with 16 awaiting a primary decision and 1311 at 30 June 2003 with 11 awaiting a primary decision.

A number of factors contributed to the ongoing reduction in the number of persons in immigration detention—in particular, the reduction of unauthorised boat arrivals remaining in detention.

The changes to the immigration detainee population continued to result in a more diverse and challenging caseload:

- the 862 people in immigration detention at 30 June 2005 comprised 93 unauthorised boat arrivals, 40 unauthorised air arrivals, 647 people who had been living in the community but had overstayed or breached visa conditions, 68 illegal foreign fishers and 14 others such as stowaways and ship deserters
- 7522 people were taken into immigration detention during 2004–05. This comprised 597 unauthorised air arrivals, 5319 people who had been living in the community but had overstayed or breached visa conditions, 1485 illegal foreign fishers and 121 others
- the 8587 people who were in immigration detention at some time during 2004–05 comprised 298 unauthorised boat arrivals, 633 unauthorised air arrivals, 5944 people who had been living in the community but had overstayed or breached visa conditions, 1542 illegal foreign fishers and 170 others
- 7721 people were released from immigration detention or removed during 2004–05. This comprised 206 unauthorised boat arrivals, 594 unauthorised air arrivals, 5294 people who had been living in the community but had overstayed or breached visa conditions, 1460 illegal foreign fishers and 167 others
- of the 7721 people released from immigration detention or removed during 2004–05, 199 had been granted a protection visa, 1608 had been released on other grounds, and 5914 had been removed from Australia.

### *Alternative arrangements*

Following amendments on 29 June 2005 to the *Migration Act 1958*, the department made arrangements for women with children in detention to be released on a visa or moved into residence determination arrangements within the community by the end of July 2005.

We worked closely with the states and with non-government organisations to implement the Government's commitment to developing innovative alternative detention strategies for women, children and detainees with special needs, including residence determination arrangements.

Prior to residence determination, a number of alternative detention arrangements were already being used. They included a Residential Housing Project (RHP) at Port Augusta in South Australia, foster care arrangements with various state welfare authorities, and community care placements for people with special needs. Another RHP is under construction in Sydney, and another is planned for Perth.

### *Individual case coordination*

An individual case coordination model at Baxter Immigration Detention Facility (IDF) was established following the conclusion of a pilot program introduced there in October 2003. The model adopted by the department, and modified over time, has enhanced approaches to detainee issues, providing us with the opportunity to improve focus on individual cases and giving us the ability to:

- identify and respond to the individual needs of detainees in immigration detention in a more systematic, effective and timely manner, particularly through the improvement of the flow of information and dialogue with detainees
- help oversee and progress visa processes and potential outcomes
- identify cases where alternative immigration detention (RHP or community-based alternative detention) or residence determination should be considered
- manage and prepare for the process that detainees in immigration detention are engaged in, identification of detainees with special needs and preparation for release or removal
- respond to the changing profile of the detainee population and better provide a strong support base for a number of special needs groups.

We are progressing case coordination processes for other detention centres, building on lessons we learned at Baxter IDF.

### *Detention Review Managers*

Additional positions, Detention Review Managers (DRMs), were announced by the Minister on 25 May 2005. DRMs will review all detention cases and ensure compliance with standard procedures. DRMs will be alerted of all cases within 48 hours of a person's detention and within 24 hours where the identity of the person is in doubt.

Working directly to the State Director, the DRMs will offer an additional check within the compliance and detention framework to provide quality assurance and to ensure adherence to legislation, Migration Series Instructions (MSIs) and other instructions. Of particular concern will be establishing the identity of the person detained, the consideration of all visa options and alternative detention arrangements, the placement of women and children and a review of documentation.

Rather than an audit style process that reports and highlights wrong decisions, the DRMs, while independent and not part of the operational chain, will be working closely with compliance staff on a daily basis to provide assurance and review around a person's detention, assessment and recording and that their cases and any management issues in detention are resolved as soon as possible.

### Formal arrangements with state authorities

The department continued to pursue formal arrangements with state authorities for education, policing, corrections, child welfare, health issues and fire protection services. For example, an MOU was signed on 5 July 2004 with Western Australia in relation to the protection of children in immigration detention. As at 30 June 2005, progress is being made towards a further 11 MOUs with various states, including two that are close to finalisation.

Negotiations with the South Australia (SA) Department of Health, which recommenced in 2003, are close to finalisation. The department and the SA mental health unit have worked closely on mental health care pathways for detainees at the Baxter IDF. The protocols to guide access to specialist mental health services by immigration detainees within the IDF were operationally agreed in September 2004 and initially signed by all parties on 12 April 2005. We expect they will become a schedule to the MOU.

In addition to formal arrangements with state authorities, strong operational arrangements are being maintained with local police jurisdictions in all states.

### Education

During 2004–05 the provision of education services in an immigration detention environment remained an important but challenging responsibility. It is complicated by the fact that children are in detention for varying lengths of time, have a variety of different cultural and linguistic backgrounds, and have varying proficiency levels in English and their own languages.

All children in detention are encouraged to attend education programs. Where a child is likely to remain in detention for more than a short period, the Detention Services Provider (DSP) is required to ensure a more formal assessment of that child's education needs is undertaken to ensure appropriate education is provided. In these cases, attending external schooling in the community is preferred.

English as a second language is offered to all people in immigration detention and the courses are delivered by qualified teachers.

### Health care services

Health care is available to immigration detainees at each facility through a combination of on-site health care professionals and access or referral to external facilities and specialists. Approved operational procedures underpin the delivery of health services.

The detainee population is diverse. Any number of factors may influence a detainee's health condition, including the situation they leave behind and the journey they embarked upon to reach Australia. While the department has a duty of care to all detainees, we have identified the following groups as having special health care needs while in immigration detention:

- minors
- women
- pregnant women
- elderly detainees
- detainees with serious health problems
- detainees at risk of self harm
- survivors of torture and trauma
- long-term detainees
- detainees with a mental illness
- detainees with a physical or intellectual disability.

We hold ongoing and regular dialogue with the DSP to seek ways to improve services, including mental health care services within facilities, as well as access to outside care. Drawing on this dialogue and the advice of accredited medical specialists to monitor service delivery against contract requirements and operational procedures, a number of initiatives were implemented to improve the provision of mental health care in the IDFs during 2004–05. A significant initiative was an agreement with SA Department of Health establishing protocols to guide access to specialist mental health services by people in immigration detention.

We continue to work cooperatively with state government agencies on access to health services outside the detention facilities. Formally agreed mental health care pathways are in place in South Australia for access to state government mental health care services. Further enhancements were announced on 25 May 2005 to health care services at Baxter IDF with the more frequent visiting of a psychiatrist and the establishment of two new psychiatric nursing positions to achieve seven-day coverage, and on-call arrangements at night. Enhancements are also under way at other facilities.



The department is using specialist medical expertise to help develop such enhancements and in the monitoring, review and general management of health care provision.

### Public scrutiny

Issues relating to immigration detention continued to attract high levels of increasingly complex public scrutiny. After investigation most were found to be unsubstantiated, although some significant issues arose requiring changes to contractor and departmental procedures. In several cases, our work enabled the Commonwealth Ombudsman and the Human Rights and Equal Opportunity Commission (HREOC) to close investigations.

We received inquiries into complaints from statutory bodies and international organisations, including HREOC, the Office of the Commonwealth Ombudsman, the Western Australian Office of Health Review and the United Nations High Commissioner for Refugees (UNHCR). We responded to a total of 212 inquiries in 2004–05 compared to 298 in 2003–04 and 364 in 2002–03. We made 35 responses to HREOC in an average of 21 days, 171 to the Ombudsman in an average of 28 days, and six to other organisations.

On 3 February 2005, it became known to the department that a detainee held in immigration detention for a period of 10 months was a permanent resident, Ms Cornelia Rau. On 8 February 2005, the Minister for Immigration and Multicultural and Indigenous Affairs, the Hon. Senator Amanda Vanstone announced details of the *Inquiry into the circumstances of the Immigration Detention of Cornelia Rau* (the Inquiry). This inquiry was conducted by former Australian Federal Police Commissioner, Mr Mick Palmer AO APM. The Terms of Reference of the Inquiry, and changes made to improve performance in the department, are discussed more fully at page 395.

### Immigration Detention Advisory Group

The department continued to support the Immigration Detention Advisory Group (IDAG) to provide advice to the Minister on detention issues.

The Minister appointed two additional IDAG members, Sister Loreto Conroy and the Hon. Margaret Reid AO in 2004. IDAG completed a comprehensive program of visits in 2004–05 to immigration detention facilities in line with its terms of reference.

IDAG have made numerous recommendations to the Minister that have contributed to enhanced service delivery, in particular mental health service delivery, infrastructure, education, training, programs and activities. IDAG continues to work with the Minister and the department to develop positive working relationships with key immigration detention stakeholders.

### Detention services contract

GSL (Australia) Pty Ltd (GSL) completed its first 12 months as the DSP in December 2004. The department put in place an expanded contract monitoring regime for 2005, based on the findings of a comprehensive risk assessment covering all areas of the contract and Immigration Detention Standards. We worked with the DSP to further refine the contract governance framework over the course of the year, including the formation of new joint working groups to help oversee financial, infrastructure and health services aspects of the contract. A number of minor amendments to the contract were agreed in principle, largely to clarify technical or interpretation issues that had emerged during the transition period as well as to formally incorporate the Port Augusta RHP into the scope of contract.

### Australian National Audit Office (ANAO)

#### *Audit of Management of Detention Services Contract—Part B*

The ANAO tabled its audit report into the management of the detention centres contract with GSL on 7 July 2005. The department accepted in full the recommendations made in the report and noted that in many of these areas action had already commenced.

#### *Infrastructure programs*

Planned refurbishment of existing detention facilities continued. Major refurbishment of all buildings in Stage 2 and 3 at Villawood Immigration Detention Centre (Villawood) began in late 2004 and completion is expected in early 2006.

A new Visitors Centre opened at Villawood and another was nearing completion at the Maribyrnong Immigration Detention Centre (Maribyrnong) at the end of 2004–05.



*The new Visitor Reception Facility at Maribyrnong Immigration Detention Centre. The facility opened in July 2005.*

A temporary departmental staff facility for 40 staff was built at Villawood for compliance and detention casework staff formerly located at our Parramatta office. For the Baxter IDF, projects planned include a sports oval and improved visitor processing facilities.

Construction, by the Department of Finance and Administration (Finance), of the new offshore facility on Christmas Island began in February 2005 with completion expected in 2006–07.

The department continued to implement the Long Term Detention Strategy announced in the 2004–05 Federal Budget. Key initiatives include:

- planning for the redevelopment of Villawood began, including the replacement of the existing stage 1 and central facilities areas, (project managed by Finance)
- works expected to begin in 2005–06 at Maribyrnong will deliver additional improved accommodation, detainee amenity, security and safety
- construction work has begun on a RHP at Villawood in Sydney
- an RHP is planned for Perth in 2005–06
- remediation of the former Curtin Immigration Reception and Processing Centre has begun to enable its hand back to the Department of Defence.

In January 2005, the Government announced the upgrading of the Darwin Detention Facility for illegal foreign fishers.

### Case Management Information System

From the commencement of the new Detention Services Contract on 27 August 2003, the department and the DSP have worked together to develop the Immigration Services Information System (ISIS), a case management information technology (IT) system for use within detention facilities.

Presently mid-way through its third release, the completed system will enable electronic access to and recording of such detainee information as property, activities and programs, complaints and bio-data. It will also allow a more coordinated approach to matching facilities with the needs of individual detainees and special needs groups. Steps are under way to enable the integration of ISIS records with other systems used by the department and other organisations in the management of detainees. This will enhance the existing case management information and reporting capacity.

### 1.3.6 LITIGATION

Figure 45: Performance information—Litigation

MEASURES	RESULTS
<b>Quantity:</b>	
4500 matters resolved.	5340
<b>Quality:</b>	
70 per cent of matters resolved, in the courts, in the Minister's favour.	95 per cent
90 per cent of timetables and directions imposed by the courts met	100 per cent of timetables and directions imposed by the courts were met
10 per cent met within the extension period agreed by the Court.	

#### Objectives

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 helps 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

- 4264 applications and appeals to the courts were lodged against department or tribunal decisions compared with 4991 for 2003–04.
- 4879 matters were resolved in the courts compared with 4709 for 2003–04.
  - Of those matters decided at hearing 95 per cent were in favour of the Minister in 2004–05 compared with 94 per cent for 2003–04.
- 3308 active cases were before the courts at 30 June 2005 compared with 3935 at 30 June 2004.

### Administrative Appeals Tribunal

- 495 applications to the AAT were lodged against department or tribunal decisions compared with 406 for 2003–04.
- 461 matters were resolved in the AAT in 2004–05 compared with 575 for 2003–04.
  - Of those matters decided at hearing 71 per cent were in favour of the Minister compared with 62 per cent for 2003–04.
- 307 active cases were before the AAT at 30 June 2005 compared with 277 at 30 June 2004.

## 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 apply to remain in Australia.

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 30 June 2005, 14 persons held safe haven visas. This is a decrease of six on the number at 30 June 2004.

## Output 1.5—Offshore asylum seeker management

### HIGHLIGHTS

Since the government's offshore processing strategy came into operation (late September 2001), 1547 people have been accommodated in offshore processing centres (OPCs) in Papua New Guinea (PNG) and in Nauru. Their claims for refugee protection were considered by Australian authorities and the Office of the United Nations High Commissioner for Refugees (UNHCR).

Of the 1547 people, 482 have voluntarily returned home, 1 passed away and some 1030 have been resettled. In 2004–05, 191 were resettled variously in Australia, New Zealand and Sweden. Of the 191, 174 were assessed as refugees, while 17 non-refugees were resettled under humanitarian or other programs.

174 of the persons who were resettled during 2004–05 were determined to be refugees following a re-examination of claims undertaken by the department and the UNHCR in the previous financial year.

Of those accommodated in OPCs who were found not to be in need of protection, none returned voluntarily to their country of origin or to a third country during 2004–05. The population in OPCs at 30 June 2005 was 34, none of whom had been found to be a refugee at that time.

### 1.5.1 OTHER COUNTRIES

Figure 46: Performance information—Other countries

MEASURES	RESULTS
<b>Quantity:</b> n/a	
<b>Quality:</b>	
Persons in offshore processing centres (OPCs) given the opportunity to have any claims for refugee asylum considered against Refugee Convention standards.	<p>All the residents of the OPCs have had their asylum claims considered by either UNHCR or the department, including a review of the primary decision, if sought.</p> <ul style="list-style-type: none"> <li>• Following the reassessment of the Afghan caseload in late April 2004, resettlement of those found to be refugees occurred early in the 2004–05 program year.</li> <li>• A reassessment of the Iraqi caseload in November 2004 resulted in resettlements to Australia in December 2004.</li> </ul>
Payments are made in accordance with agreements.	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.

#### Objective

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

#### Description

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

#### Analysis of performance

The OPCs in Nauru and PNG have been effective in delivering offshore asylum seeker processing.

The OPCs 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 OPC in Manus Province until 21 October 2004. After that time extensions were agreed while a new MOU was being negotiated. At 30 June 2005 a new MOU was under consideration by the Australian and PNG governments. Similarly, the MOU with Nauru was extended during 2004–05 to allow for negotiation of a new MOU in July 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 department-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 2500 people—1500 in Nauru and 1000 in PNG. The combined population of the OPCs decreased from a peak of 1515 people in February 2002, to 34 at June 2005, two of whom were in Australia for medical treatment.

The decrease reflected a continued pattern of resettlement during 2004–05. The population at 30 June 2005 was made up of 11 Afghans, 18 Iraqis, 2 Bangladeshis, 2 Iranians and 1 Pakistani. Men numbered 33, women 1 and there were no children. As at 30 June 2005, no-one in the population was determined to be a refugee.

OPC residents have their asylum claims considered by either the UNHCR or the department. All claims to be assessed by the department have been considered, including a review of the primary decision. In light of changes in some parts of Afghanistan in early 2004, both the UNHCR and the department have re-examined their respective remaining Afghan cases in Nauru. Those found to be refugees in this process were resettled to Australia in 2004–05.

In November 2004 we decided to reassess the claims of the Iraqi caseload in Nauru. The UNHCR Iraqi caseload members were given the opportunity to have their cases reassessed by us and all but four cases took this opportunity. Those Iraqis found to be refugees in this reassessment process were resettled to Australia in December 2004.

A number of associated infrastructure upgrading projects were completed in 2004–05. 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. Infrastructure projects including civil works and police buildings upgrade will continue in 2005–06, as will assistance to local medical facilities.

## 1.5.2 OFFSHORE TERRITORIES

Figure 47: Performance information—Offshore territories

MEASURES	RESULTS
<b>Quantity:</b> n/a	
<b>Quality:</b>	
Persons in offshore territories provided with appropriate accommodation, cared for and given the opportunity for any asylum claims to be considered.	Accommodation, health and education resources were provided for all asylum seekers detained at the Christmas Island IRPC while their claims were assessed. No new applicants were held at an offshore territory in 2004–05.

### Objective

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

### Description

The department provides support for the management of asylum seekers in offshore territory processing centres and facilitates appropriate accommodation, care, consideration of claims for refugee status and subsequent resettlement or return.

### Analysis of performance

The Immigration Reception and Processing Centre (IRPC) on Christmas Island has capacity for 104 people with contingency accommodation for another 104 people. Following a detailed design development process, construction began in February 2005 of a new and permanent IRPC; completion is expected in 2006–07. The new IRPC will have the capacity for some 400 people in permanent accommodation, plus another 400 in contingency accommodation. While responsibility for the delivery of the new IRPC is with the Department of Finance and Administration, the department has the ‘client’ role and participated in its design.

We continue to hold a section of the Cocos (Keeling) Island Quarantine Station as a short-term contingency facility. The facility was not occupied during 2004–05.

See Output Component 1.3.5—Detention for information on onshore detention operations.

### Case management

Of the 42 people in immigration detention at the IRPC on Christmas Island on 30 June 2004, 27 have been granted subclass 785 temporary protection visas, two were granted offshore temporary humanitarian visas by the Minister using her s417 powers, and one person has been released on a Bridging Visa E.

At 30 June 2005, 12 people were in detention at the IRPC. However, the Minister has since intervened and granted substantive visas to all of them, and they have been released into the community.

## Outcome 1—Administered items

### ALLOWANCES FOR PERSONS ON TEMPORARY VISAS IN THE HUMANITARIAN PROGRAM

Figure 48: Performance information—Allowances for persons on temporary visas in the humanitarian program

MEASURES	RESULTS
<b>Quantity:</b>	
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.	245 people assisted
<b>Quality:</b>	
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

44 TPV holders received a cash allowance, compared with 24 in 2003–04.

201 holders of secondary movement temporary visas received a cash allowance, compared with 189 in 2003–04.

The overall expenditure was \$40 375.

## Outcome 1—Administered items

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

Figure 49: Performance information—Contribution to the secretariat for the inter-governmental consultations on asylum, refugee and migration policies

MEASURES	RESULTS
<b>Quantity:</b>	
Australia's funding contribution is provided in full and on time.	Achieved
<b>Quality:</b>	
Extent to which Secretariat provides effective forum for information exchange.	<p>The Secretariat continued its work of organising and coordinating information exchange on topics of interest to member states through distribution of documentation, and organisation of plenary meetings, working groups and workshops.</p> <p>The annual chair (Canada) gave priority to articulating an explicit governance framework and ensuring that the current emphasis of IGC activities is consistent with the emerging interests of states. States decided to place greater emphasis on managed migration issues.</p>

#### Objective

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

#### Description

Australia contributed \$127 727 towards the administrative costs of the Inter-Governmental Consultations (IGC).

The IGC is an informal, non decision-making forum established in 1985 (with an independent Secretariat established in 1991). It provides an avenue for participating governments to benchmark national policies and to influence international standards and policies on a range of refugee, asylum and migration issues.

The IGC currently comprises 15 participating states in Western Europe, North America and Australasia. New Zealand joined the IGC in 2004 and Austria withdrew in 2005. Representatives of the European Union (EU), International Organization for Migration (IOM) and the Office of the United Nations High Commissioner for Refugees (UNHCR) also attend relevant meetings.

### Analysis of performance

The IGC provides participating states with a relatively informal but structured framework for developing a global perspective on migration and asylum issues that takes account of states' interests and operates independently of the UN umbrella. In particular, it is one of the few multilateral consultation mechanisms through which Australia can engage regularly and directly with many Western European states on domestic migration, asylum and border control issues. This perspective informs and facilitates the department's regional and bilateral engagements as well as other multilateral, (including UN-sponsored), engagement.

In 2004–05 the IGC Working Groups and Workshops provided Australia with the opportunity to:

- benchmark its current policy and practice on a range of specific asylum, refugee, illegal migration, return and border control issues against that of European states as well as Canada and the United States of America
- confirm its policy and operational approach on managing migration, refugee resettlement, visa fraud and unauthorised movement constitute best practice among IGC states
- correct misunderstandings about Australian asylum and immigration policies, frequently not well understood by European states and others.

In particular:

- a workshop on the PRC confirmed that Australian management of lawful and unlawful migration from the PRC is currently global best practice
- a workshop on access to benefits by asylum seekers provided an opportunity to correct misunderstandings about Australian policy and practice and to promote a holistic approach to refugee and asylum policy
- participants in a workshop on labour migration showed great interest in Australia's holistic approach to managing migration in the national interest, such that public confidence in the benefits of the annual migration program is maintained
- participation in the working group on technology continues to ensure development of Australian biometric border control tools is consistent with global best practice and compatible with the biometric requirements and registration systems under development in other states.

## Outcome 1—Administered items

### INITIATIVES TO ADDRESS THE SITUATION OF DISPLACED REFUGEES AND PROMOTE SUSTAINABLE RETURNS

Figure 50: Performance information—Initiatives to address the situation of displaced refugees and promote sustainable returns

MEASURES	RESULTS
<b>Quantity:</b>	
Aid contributions paid in a timely manner and in accordance with Government priorities.	A total of \$5.47 <sup>(a)</sup> million was available in 2004–05 under this item, which was disbursed as \$3.99 <sup>(b)</sup> million to assist migration management and support displaced persons in Iraq and \$1.47 million to support self-reliance and repatriation projects in Africa.
<b>Quality:</b>	
Extent to which Australia contributes to the development and implementation of strategies by the international community to address the situation of displaced persons.	Australia’s aid contributed to the support, local integration and/or repatriation of displaced persons in the Middle East and Africa.

(a) The total does not add up to \$5.47m due to rounding.

(b) The total does not add up to \$3.99m due to rounding.

#### Objective

To promote a coordinated, international approach to the development of sustainable solutions for refugees and displaced persons and processes supporting the sustainable voluntary return of displaced populations. The program is jointly administered by the department and the Australian Agency for International Development (AusAID).

#### Description

Australia supports comprehensive, integrated responses to humanitarian and refugee situations, including supporting durable solutions of assisting refugee populations integrate into countries of first asylum and/or voluntarily return home when circumstances allow. In the delivery of the program, Australia has focused on the reconstruction and stability of Iraq as well as support towards vulnerable refugee populations in Africa.

The total of \$5.47 million available under this item in 2004–05 was disbursed as six distinct projects, three in Iraq (totalling \$3.99 million) and three in Africa (totalling \$1.47 million).

The \$3.99 million in funding for Iraq was contributed in June 2005 to three projects facilitated by the International Organization for Migration (IOM):

- \$2.04 million to continuing support for the creation of a well functioning migration management system in post-war Iraq
- \$1.42 million to provide relief assistance to Internally Displaced Persons (IDPs) in Central and Southern Iraq
- \$0.52 million to continue initiatives that assist Iraqis wishing to voluntarily return home to Iraq.

The \$1.47 million in funding for Africa was contributed in June 2005 to projects assisting refugees in Sudan, Zambia and Malawi:

- \$1 million to support the Office of the Coordinator of Humanitarian Affairs (OCHA) implement repatriation and reintegration efforts associated with the peace process in Southern Sudan
- \$0.3 million to the Office of the United Nations High Commissioner for Refugees (UNHCR) to support self-reliance efforts of refugees in Western and North-Western Zambia
- \$0.17 million to the UNHCR to support self-reliance efforts of refugees in Malawi.

### **Analysis of performance**

Through its contributions, the Government continues to promote the development of comprehensive and integrated solutions to the problems of displaced persons.

Since March 2003, the IOM has helped more than 5000 Iraqis temporarily living in non-neighbouring countries to return home. Australia's continuing support to the IOM helps with the logistics of these returns while combating problems associated with their reintegration into Iraqi society. Other funds will help the IOM provide access to safe drinking water, sanitation and basic health services to the 450 000–500 000 internally displaced persons in Central and Southern Iraq.

Australia's contribution to the returns process in Southern Sudan helps OCHA better coordinate the estimated 500 000 people expected to return to Southern Sudan. Contributions to projects in Zambia and Malawi are helping more than 50 000 refugees integrate into their local surroundings, while also providing assistance to host communities.



## Outcome 1—Administered items

### INTERNATIONAL ORGANIZATION FOR MIGRATION (IOM)—CONTRIBUTION

Figure 51: Performance information—International organization for migration

MEASURES	RESULTS
<b>Quantity:</b>	
Australia's funding contribution is provided in full and on time.	Australia's contribution of \$722 747 was paid in full and on time.
<b>Quality:</b>	
Extent to which the organisation meets member governments' objectives.	Australia was one of the most active members of the IOM, encouraging states to seek managed migration solutions that best suit their economic and social circumstances and which reduce irregular migration.

#### Objective

To support the achievement of Australian policy objectives in the area of promoting managed migration, including managed humanitarian migration, and the reduction of irregular migration.

#### Description

In 2004–05, Australia contributed \$722 747 towards the administrative costs of the IOM. The IOM is an international organisation headquartered in Geneva which 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

The IOM continues to attract new member states and expand its operations, reflecting its flexible approach and global reach. Australia's contribution to the administrative costs of the IOM enables us to participate in the governance of the

IOM and ensure that its work continues to reflect Australia's interests, in particular a state-driven approach to managing migration.

Australia continues to use the opportunities provided by the IOM policy and governance dialogues to encourage the IOM and its members to seek practical solutions to migration issues, including in the Asia-Pacific region. Strategic issues formally discussed at the IOM during 2004–05 included the relationship between migration and trade, the relationship between migration and development and the costs, benefits and opportunities of migration.

Broader policy analysis and engagement by the international community leads to greater international cooperation on migration policy issues and better implementation of managed migration approaches by governments.

## Outcome 1—Administered items

### JOINT COMMONWEALTH/STATE RESEARCH PROGRAM FOR THE PAYMENT TO THE AUSTRALIAN POPULATION, MULTICULTURAL AND IMMIGRATION RESEARCH PROGRAM

Figure 52: Performance information—Joint Commonwealth/State research program

MEASURES	RESULTS
<b>Quantity:</b>	
Two research projects	<p>Research projects during 2004–05 were:</p> <ul style="list-style-type: none"> <li>• Completed:               <ul style="list-style-type: none"> <li>— surveys of the Regional Sponsored Migration Scheme and the Skilled Designated Area Sponsored Scheme</li> <li>— impact of migration on state and territory economies.</li> </ul> </li> <li>• Ongoing               <ul style="list-style-type: none"> <li>— effectiveness of cross-cultural training in the Australian context</li> <li>— social impacts of migration.</li> </ul> </li> </ul>
<b>Quality:</b>	
Feedback on usefulness of the research	The states and territories are actively participating in, and fully support, the research projects.

#### Objective

To conduct research to inform the formulation and evaluation of policies of the Australian Government, state and territory ministers and departments.

#### Description

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

In 2004–05 the Australian Government contributed \$50 000 to the APIMRP.

## Analysis of performance

The research program completed surveys of the Regional Sponsored Migration Scheme and the Skilled Designated Area Sponsored Scheme (SDAS). These projects have played an important part in informing the policy-making processes of Australian, state and territory governments. For example, the review of the SDAS program revealed a propensity of some migrants to move away from designated areas. This led to a decision by the Australian Government to require migrants who enter under the SDAS category to live in the same area as their sponsor for a minimum of two years before obtaining permanent residence.

The program also completed a study on the impact of migration on state and territory economies, the report of which was released in October 2004. This paper helped states and territories gauge the effects of skilled migrants on their jurisdictions.

# Outcome 1—Administered items

## OFFSHORE MANAGEMENT OF ASYLUM SEEKERS

Figure 53: Performance information—Offshore management of asylum seekers

MEASURES	RESULTS
<b>Quantity:</b> n/a	
<b>Quality:</b>	
All persons in offshore processing centres (OPCs) are accommodated and cared for and, where appropriate, repatriated or resettled.	The International Organization for Migration (IOM) provided high-quality, responsive and effective care for asylum seekers in the OPCs. Since 2001, 1030 people have been resettled from Manus and Nauru and 482 persons have voluntarily returned to their home countries.
Operational readiness is maintained in accordance with the capacity provided by the MOUs.	IOM managed the OPCs and delivered services 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 departmental 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 against which IOM reports regularly. The Australian Government meets all costs associated with the operation of the centres.

### 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 OPCs that accords with international standards. Associated payments are made in accordance with agreements.

## Analysis of performance

The IOM manages the OPCs in Manus Province, 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 OPCs.

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 departmental liaison officer at the Nauru OPC and previously at the Manus OPC, and day-to-day consultations at the operational and senior management levels. These strategies and structures are articulated in an Assurance Framework against which IOM reports regularly.

In 2004–05 IOM continued to provide high-quality and responsive services in its management of the OPCs. At 30 June 2005, for every 17 OPC residents in Nauru there was a qualified IOM doctor readily available. School-aged children regularly attended Nauruan schools (the last family with children departed from Nauru for resettlement in Australia on 28 June 2005). 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 sporting and leisure activities (including satellite television, videos and reading materials) and education programs (which include language classes and computer skills). Since 1 March 2005 the OPC has been operating as an open centre with residents able to move freely around the island on Wednesdays and Saturdays.

The 2004–05 Budget made a provisional allocation of \$85.3 million for the operation of the OPCs on Nauru and Manus Island. This provision allowed for the reception, accommodation and processing of 750 new arrivals and for the care of the 225 asylum seekers who had arrived in earlier years and who were still resident on Nauru in June 2004. Actual expenditure on the Nauru and Manus Island OPCs in 2004–05 was \$37.5 million. The underspend against the budget provision was due to there being no new asylum seeker arrivals in the year, other than newborns. The total operational cost for the Nauru and Manus Island OPCs from September 2001 to June 2005 was \$227 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 3649 people in 2001–02 (of whom some 600 were returned voluntarily) to no unauthorised boat arrivals in 2002–03, 82 persons in 2003–04 and no unauthorised boat arrivals in 2004–05.

## Outcome 1—Administered items

### PAYMENTS TO THE AUSTRALIAN RED CROSS SOCIETY FOR ASYLUM SEEKER ASSISTANCE SCHEME

Figure 54: Performance information—Payments to the Australian Red Cross Society

MEASURES	RESULTS
<b>Quantity:</b>	
Those eligible to receive assistance.	1276 persons assisted
<b>Quality:</b>	
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 has administered the Asylum Seeker Assistance (ASA) Scheme under agreements with the Commonwealth since 4 January 1993. The ASA Scheme provides financial assistance to asylum seekers, determined by the Australian Red Cross 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 ASA Scheme provides assistance for basic food, shelter and health care. The rate of financial assistance is capped at 89 per cent of equivalent Special Benefit payments.

Since 1 July 1999, eligibility for ASA has included 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.

The ASA Scheme also provides assistance to asylum seekers who are ineligible for income support but who cannot afford to pay for their health examination. This ensures that there is no financial impediment to accessing protection under the Refugees Convention.

### **Analysis of performance**

In 2004–05, 1276 clients were assisted under the ASA Scheme at a cost of \$3.4 million compared with 1832 clients assisted at a cost of \$4.4 million in 2003–04. Factors varying the costs and numbers assisted include the continued timely processing of new protection visa applications, a continued decline in the number of new applications for protection visas, resolution of the longstanding East Timorese protection visa and ministerial intervention caseload, offset to some extent by some increases in outlays as a result of the front loading of checks.



## Outcome 1—Administered items

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

Figure 55: Performance information—Payments under Section 33 of the FMA Act 1997

MEASURES	RESULTS
<b>Quantity:</b> n/a	Three payments made.
<b>Quality:</b>	
Payments are made in accordance with Minister for Finance and Administration.	Payments made in accordance with legislative requirements.

Payments made under section 33 of the *Financial Management and Accountability Act 1997* are special discretionary compensatory payments (acts of grace) made in circumstances where there is no other viable avenue of redress available and the Minister for Finance and Administration (or delegate) considers the payment is appropriate because of 'special circumstances'. During the 2004–05 financial year, the department received five requests for act of grace payments. These were forwarded to the delegate for consideration. Three were approved.

## Outcome 1—Administered items

### REFUGEE, HUMANITARIAN AND ASSISTED MOVEMENTS—PASSAGE AND ASSOCIATED COSTS

Figure 56: Performance information—Refugee, humanitarian and assisted movements—passage and associated costs

MEASURES	RESULTS
<b>Quantity:</b>	
Up to 6000 refugees moved to Australia.	5518
Medical processing completed for eligible Humanitarian Program applications—up to 7800 applicants assisted.	6322
<b>Quality:</b>	
Travel and medical processing completed in line with contractual obligations.	In early 2005 Ernst & Young undertook an audit of the department's management of the Travel and Associated Services contract with the International Organization for Migration. The audit concluded that all travel and medical services completed were done in accordance with contractual and legal obligations.

#### Objective

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

#### Description

In December 2004, the department entered into a new contract with the IOM for the assisted passage of applicants 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 number of people assisted under this program in 2004–05 was 5518, an increase of 2014 people from 2003–04. The IOM arranges medical screening services for applicants when requested by departmental posts.

The IOM is 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.

As part of the assisted passage contract, the department via the IOM engaged two charter flights in 2004–05 to move refugees from West Africa to Australia. The total cost of the charter flights was \$2 211 500—which includes the service fee paid to the IOM and all associated expenses (for example, ground transport, departure taxes, food and escort staff costs).

A program of pre-departure medical screening was trialed on the group charter flight from West Africa in April 2005. Following the successful trial, the department is arranging with the IOM to implement pre-departure medical screening in key locations.

### **Analysis of performance**

\$9.785 million was allocated under this program in 2004–05, an increase of \$3.741 million, in line with the increase in funded refugee places. The overall expenditure was \$9.001 million with 5518 persons arriving in Australia.

## Outcome 1—Administered items

### REINTEGRATION ALLOWANCES

Figure 57: Performance information—Reintegration allowances

MEASURES	RESULTS
<b>Quantity:</b>	
<p>Those eligible to receive the allowance:</p> <ul style="list-style-type: none"> <li>• Afghan nationals in detention</li> <li>• Afghan Temporary Protection Visa (TPV) holders</li> <li>• Iranian nationals in detention</li> <li>• TPV, Temporary Humanitarian Visa (THV) and Return Pending Visa (RPV) holders</li> <li>• Iraqi nationals in detention or TPV holders</li> </ul>	<p>For those in Australia:</p> <ul style="list-style-type: none"> <li>• Since the implementation in 2002 of the reintegration package for Afghan nationals in detention, 152 Afghans have formally been offered the reintegration package and 68 Afghans accepted it and departed Australia</li> <li>• Since 2002, 2952 Afghan TPV holders have been formally offered the reintegration package and 34 Afghans accepted it and returned to Afghanistan</li> <li>• Since the implementation in 2003 of the reintegration package for Iranian nationals in detention, 158 have been formally offered the reintegration package and 28 Iranians accepted and departed Australia</li> <li>• Since the implementation in 2004 of the reintegration package for TPV and THV holders (issued prior to 24 August 2004) and those issued RPs, four people have requested the reintegration package and returned to their country of origin</li> <li>• Since the implementation in 2003 of the reintegration package for Iraqi nationals, 53 people have requested the reintegration package and returned to Iraq.</li> </ul> <p>For those located in the Offshore Processing Centres (OPCs), a total of 493 people accepted the offer of the reintegration allowance.</p>
<b>Quality:</b>	
<p>Payments are made in accordance with eligibility criteria.</p>	<p>In 2004–05, of those people eligible for the reintegration packages, 3 Afghan and 11 Iraq nationals accepted and departed Australia with reintegration assistance.</p>

### Objective

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

## 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. On 30 May 2002, the Government extended the offer of reintegration assistance to all individuals, regardless of nationality, who were then accommodated at the OPCs on Manus Island and Nauru—these costs are met from Output Component 1.5.1.

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 were also offered an extension of the package (at the amount of \$1000 per person/\$5000 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.

On 13 July 2004, the Australian Government announced the introduction of a reintegration package available to all current and former TPV and THV holders as at 27 August 2004 who volunteer to return to their home countries.

The reintegration package supports Australia's commitment to the voluntary return of unsuccessful asylum seekers and persons who are found to no longer be owed protection. The package recognises the special circumstances of persons who are no longer in need of Australia's protection and will assist them to return to their home countries and re-establish their lives in that country. Those who volunteer to return will receive a package of reintegration assistance that includes \$2000 for each adult or child, or up to \$10 000 for a family. As well, airfares, travel documentation and waiver of debts to the Commonwealth are provided.

On 17 May 2005, the governments of Australia and Afghanistan signed a second MOU that retains the commitment of the two governments to encourage voluntary returns to Afghanistan.

## Analysis of performance

For those in Australia:

- 14 people have accepted the reintegration package in 2004–05—two Afghan nationals in an Australian detention facility, one Afghan national holding a TPV and 11 Iraqi nationals holding TPVs.

This compares with 119 in 2003–04—15 Afghan nationals in an Australian detention facility, 37 Afghan nationals holding TPVs, 15 Iraqi and 22 Iranian nationals who were in detention and 30 Iraqi nationals holding TPVs.

- The 14 people who accepted the reintegration package in 2004–05 have all returned to their country of origin.

This compares with 113 in 2003–04—12 Afghan nationals in an Australian detention facility, 34 Afghan nationals holding TPVs, 15 Iraqi and 22 Iranian nationals who were in detention and 30 Iraq nationals holding TPVs.

- Since the implementation of all reintegration packages, 187 people who were eligible have accepted the offer of assistance and departed Australia.
- 11 Iraq nationals holding TPVs accepted the reintegration allowance and departed during 2004–05, compared to 30 TPV holders and 15 Iraqi nationals who were in detention in 2003–04.

For those located in the OPCs (Output Component 1.5.1):

- As at 30 June 2005 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.

## Outcome 1—Administered items

### 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 not eligible for other income support benefits but in need of some financial support.

#### Analysis of performance

In 2004–05, \$80 000 was allocated under the safe haven allowance provision. This amount was from the 2001–02 appropriation for this program and so had a nil impact on the 2004–05 departmental appropriation.

A amount of \$68 901 was used to assist persons who held temporary safe haven visas during the financial year.

Expenditure in 2004–05 was \$7750 lower than expenditure in 2003–04. The expenditure varies with any movement in the allowance rate, the number of visa holders, the visa validity period or change in employment status of the temporary safe haven visa holder.

## Outcome 1—Administered items

### **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 fell by 129 agents from 3274 at 30 June 2004 to 3145 at 30 June 2005, a reduction of 3.9 per cent (compared with a 6.2 per cent growth in the previous year). In 2004–05, \$5.00 million was budgeted against this item. The final appropriation was \$3.39 million.

#### **Analysis of performance**

The department implemented, via legislative change, further recommendations made by the 2001–02 Review of Statutory Self-Regulation of the Migration Advice Industry, and other measures to support statutory self-regulation.

Regulation amendments, which came into effect on 1 April 2005, enable the MARA to collect data on average fees charged by agents. This information will be collated and published in early 2006 so that consumers have a guide as to the fees they are likely to pay. Amendments, which commenced on 1 July 2005, introduced mandatory professional indemnity insurance for commercial agents and require agents in the not-for-profit sector to arrange affordable insurance by 1 July 2006.

The *Migration Legislation Amendment (Migration Agents Integrity Measures) Act 2004* which came into effect on 1 July 2004 strengthened action that can be taken against unscrupulous migration agents who lodge applications with no chance of success. The new legislation, combined with the effect of increased sanction action taken



by the MARA and the activities of the Migration Agents Taskforce, has already had a significant deterrent effect.

Earlier analysis identified 95 potentially vexatious agents coming within the provisions of the future legislation, but since its introduction only six agents have reached the prescribed level of vexatious activity. To date one agent has been issued with a show cause notice under the *Migration Act 1958*.

Work continues towards the implementation of other recommendations of the review, including extending agent registration to foreign nationals who assist with visa applications for Australia and regulation of the immigration-related activities of education agents.

## Outcome 2

Outcome 2 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 Promoting the Benefits 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' initiatives. 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.

## Outcome 2—Effectiveness measures and results

Figure 58: Outcome 2—Effectiveness measures and results

MEASURES	RESULTS
<b>Extent to which settlement planning arrangements and services equip eligible migrants and humanitarian settlers to participate in society</b>	
Level of participation, and client outcomes from settlement services measured through program evaluations and surveys and advice from relevant government agencies.	Ongoing service provider reporting demonstrates high level of client participation and 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 demand for the department's settlement services.
<b>Extent to which settlement needs of eligible refugee and humanitarian settlers are met</b>	
Level of satisfaction with settlement services among eligible refugees, humanitarian settlers and community groups who work closely with these people measured through program-specific evaluations and surveys.	Under the Integrated Humanitarian Settlement Strategy (IHSS), Refugees and Special Humanitarian Program entrants receive intensive, initial settlement support on a needs basis. Client and community feedback from various community consultations held by the department indicates a high level of satisfaction with IHSS services.
<b>Extent to which Australian Citizenship is valued</b>	
Level of community awareness of Australian Citizenship.	Enhanced community awareness is evidenced by: <ul style="list-style-type: none"> <li>• successful promotion campaign maintained in 2004–05; positive trend in application numbers across the campaign period in comparison to the base year 2000</li> <li>• more than 8000 people becoming Australian citizens at over 180 special ceremonies on and around Australian Citizenship Day and many thousands of people affirmed their Australian citizenship at these ceremonies held in every state and territory</li> <li>• a wide range of promotional products distributed in 2004, including an Australian Citizenship Day primary schools' resource kit that was sent to over 8000 schools around Australia.</li> </ul>

Figure 58 *continued*

MEASURES	RESULTS
<b>Extent to which DIMIA promotes the benefits of cultural diversity</b>	
<p>Level of awareness of the Living in Harmony initiative as measured by the number of hot line calls, requests for Living in Harmony grants kits and applications received; organisations requesting Harmony Day products and participating in Harmony Day events.</p>	<p>Development of the <a href="http://www.harmony.gov.au">www.harmony.gov.au</a> website during 2004–05 allowed for easier and more cost-effective distribution of material to a wide cross-section of the community for Harmony Day 2005.</p> <p>For Harmony Day 2005, there was a 360 per cent increase on the number of events and 23.5 per cent increase in the number of products distributed nationally over those in 2004.</p> <p>More than 600 application kits for the 2005 Living in Harmony community grants were sent in response to telephone and email requests. The kits were also available on the <a href="http://www.harmony.gov.au">www.harmony.gov.au</a> website.</p> <p>In 2004–05, grants managers travelled to various locations around Australia to raise awareness of the community grants process. This led to an increase in the number of grant applications to 642, a 21 per cent increase from 2003–04. The priority areas for the 2005 grants round were: inter-faith; new and emerging communities; Indigenous Australians; and school and educational communities.</p>
<p>Level of awareness of stakeholders to multicultural policy maintained.</p>	<p>A seminar for Access and Equity contact officers was held in September 2004. Agency specific feedback was provided to around 60 agencies to help them implement the Charter.</p> <p>An Access and Equity feedback session was conducted at the Federation of Ethnic Communities' Councils of Australia (FECCA) annual conference in May.</p> <p>The <i>"Diversity Works!"</i> Information Kit was distributed to 922 stakeholders including 71 to peak business and industry bodies; 36 to universities and other education facilities; 27 to ethnic and mainstream chambers of commerce; and 149 to state and territory multicultural affairs and other government agencies with a role in promoting and supporting Australian businesses.</p> <p>A case study on the Halal Food Industry was launched by the Minister in August 2004. Over 2000 copies of the case studies have been distributed to food industry business organisations.</p> <p><i>The Canberra Times</i> received 9355 advance orders for copies of a 16-page supplement it produced with the department aimed at students and teachers in upper primary and lower secondary schools.</p>

Figure 58 *continued*

MEASURES	RESULTS
Level of awareness of the work by the Council for Multicultural Australia (CMA).	CMA members were active in promoting Harmony Day 2005, including through attending events. The Council assisted with the Living in Harmony grants assessment process.
Positive impact of the Living in Harmony initiative, as assessed by rate of grants applications, media commentary and coverage of, and community support for, Harmony Day activities.	<p>An audit of the Living in Harmony grants and partnerships program indicates potential for 6.5 million people to have seen, heard or read media reports about Living in Harmony grant projects. Another 835 000 people attended community events.</p> <p>In September 2004, 42 grants were awarded in Round 5 to not-for-profit organisations from 529 applications. In June 2005, 642 grant applications were lodged. For Harmony Day 2005, there were 3903 product orders and 2754 events were logged on the website from community organisations, schools, local government and businesses.</p>
Informal monitoring and feedback from the business sector of the value and impact of the productive diversity program.	<p>An upgrade of the Diversity Australia website improved usability. It includes a new feedback facility to monitor stakeholder interest and has resulted in several enquiries and requests for further information.</p> <p>Feedback was positive from business representatives attending a "Diversity Works!" Program 'Engaging the New Europe' luncheon. The 168 attendees included representatives from the top 1000 Australian companies and ethnic chambers of commerce.</p>
Extent to which Australian Government agencies apply the performance indicators relating to the <i>Charter of Public Service in a Culturally Diverse Society</i> .	<p>In 2004–05, 63 of the 64 agencies reporting met all indicators applicable to them. This is an improvement from the 53 of 58 agencies reporting in 2003–04.</p> <p>Reporting benchmarks have been raised, with the introduction of statistics measuring 'well met' (52.2 per cent of performance indicators were well met).</p> <p>The scope and transparency of reporting continued to improve with nine new agencies contributing for the first time.</p>
Positive impact of management of community relations issues, following major domestic and international events.	Community Liaison Officers in all states and territories maintained contact with local and national community organisations, providing information and reporting on community tensions and related issues of concern. Following the 2004 Indian Ocean tsunami, the department provided reports on community reactions and contributed to the government's coordinated response effort.

## Output 2.1—Settlement services

### HIGHLIGHTS

#### Migrant Community Services

A total of \$27.44 million was provided for migrant community services grants in 2004–05 to support the settlement needs of migrants. The department supported the provision of settlement services to the migrant community through:

- the administration of 392 service agreements with organisations funded under 364 Community Settlement Services Scheme (CSSS) grants
- core funding to 28 Migrant Resource Centres (MRCs)/Migrant Service Agencies (MSAs).

Twenty of the CSSS grants were funded as six-month transitional grants until 31 December 2004, totalling \$520 546, for organisations that primarily provide services to established communities.

#### Community Partners Program

In response to the *Report of the Review of Settlement Services for Migrants and Humanitarian Entrants (2003)* (the Review), \$11.6 million was announced in the 2004–05 Budget for the Community Partners Program (CPP), a new program to be administered by the Department of Health and Ageing. The CPP began on 1 January 2005. It facilitates access to aged care services for culturally and linguistically diverse communities by funding established community organisations, among others. The 20 CSSS grants continued to be funded under the CPP until 1 July 2005, at which point grants announced in the CPP funding round began.

#### Rural and regional Australia

\$4.9 million has been allocated over four years to provide additional funding for CSSS grants to help humanitarian entrants settle in rural and regional Australia. Of this, \$688 525 was allocated to the 2004–05 funding year. This initiative is designed to increase humanitarian settlement in targeted regional locations, where community support can be enhanced and developed by providing new or increased grants funding.

*Carla Tongun and her family are looking forward to a very different future to what they would have had in their native country of Sudan.*

*Now living in Australia, three of Carla's children are studying at university, two are in their final year of high school, and one has a career in IT and marketing. Carla feels they have been given a new future in Australia.*



## Carla Tongun

In Sudan her children would have spent most of their lives without a father. As a professional person he was seen as a threat to the Sudanese Government, and was imprisoned seven times in the years between 1981 and 1998.

"My children had to witness the shelling of their city, houses burning, and dead bodies everywhere. It's terrible for young children to have to go through that trauma," she said.

Carla decided to flee with her children to Kakuma refugee camp in Kenya in 1991. However, conditions in the camp were almost as dangerous as those the family had left behind so they applied for resettlement to Australia in 1995.

They arrived in Adelaide in May 2000. Their Australian proposer was there to welcome them, and took them to housing provided by the Lutheran Church of Australia. Soon after, the department provided assistance to enable the family to move into their own home.

Staff from the Migrant Resource Centre (MRC) in South Australia, which is funded by the department to provide settlement assistance, gave the family

information about local facilities, set up medical appointments and helped them furnish their home.

Carla has worked in a range of voluntary and paid jobs, assisting migrants and humanitarian entrants to settle in Australia. Often Carla finds she not only provides health support, but also acts as a counsellor for the African community.

"There are different cultural norms in Australia, particularly around relationships between parents and children which can lead to instability within the community," Carla said.

"Here children have so much independence. In the African context you have to remain with your family and have less freedom, until you are strong and self-supportive," she said.

"But the government and the service providers did so much to make our lives easier. I want to say thank you to the government for supporting us, and for giving my children a new future. I am looking forward to when they finish their education and join the workforce, so that they can give something back to a country that has given us so much."

## Settlement Grants Program

The Review recommended the development of a new grants program that combines CSSS funding and MRC/MSA core funding. This new program, called the Settlement Grants Program (SGP), will begin on 1 July 2006, replacing the current CSSS and MRC/MSA programs.

The department released a discussion paper on the SGP for community comment on 6 April 2005. More than 400 stakeholders attended community consultations held in every capital city in April and May 2005, and more than 100 written submissions were received. This input will inform development of the SGP.

## Tender for services under the Integrated Humanitarian Settlement Strategy

The department conducted a national tender for the provision of services under the Integrated Humanitarian Settlement Strategy (IHSS) for the next five years from 1 October 2005.

Industry briefings were held in each state and territory from 13–29 September 2004. Questions and answers and new information for tenderers were posted on our website.

Changes and enhancements to the requirements for delivery of services under IHSS were introduced in the request for tender. These included:

- strengthened coordination of service delivery through a service delivery model based on Contract Regions, with one contract per Region. Services may be delivered by agencies in consortium or prime contractor/subcontractor relationship, or by single providers
- a central case coordination role
- enhanced support for Special Humanitarian Program (SHP) entrants and their proposers
- improved arrangements for the management of volunteer contributions to the delivery of IHSS services.

The tender process was guided by a Business Adviser (Cogent Business Solutions), a Probity Adviser (Acumen Alliance) and a Legal Adviser (Sage Legal Services). Cogent Business Solutions also undertook the financial evaluation.

The tender evaluation report was unanimously endorsed by the IHSS Tender Steering Committee, which comprised representatives from our department and the Department of Finance and Administration.

All tenderers were advised of the evaluation outcome on 1 June 2005. Contract negotiations began with preferred tenderers in early June 2005.

Phase-out arrangements for all current IHSS contracts are being developed to ensure a smooth transition for IHSS clients to new IHSS contractors on 1 October 2005.



*There were days when Hafiza Azami felt the shudder of rockets exploding near her as she walked to the local store. "It was not easy I can tell you. When they exploded, I remember looking around and thinking: where are my children? I recall many nights when we couldn't sleep," Hafiza said.*



## Hafiza Azami

In 1998, after almost three decades of war and conflict, Hafiza fled Afghanistan with her husband and three children. The family spent many nights travelling over the mountains to Pakistan, where they settled temporarily. The following year they applied for resettlement through the United Nations High Commissioner for Refugees.

In July 2003 the family began their new life in Australia. Flying into Brisbane airport they were met by staff from Assisting Collaborative Community Employment Support Services Incorporated (ACCESS)—an organisation funded by the department to provide assistance to new humanitarian entrants.

Staff from ACCESS took them to their new home and provided them with furniture, white goods, food and other supplies. In the following days ACCESS staff and volunteers helped the family settle into life in Australia.

"They were great, they helped us with everything," said Hafiza.

"They introduced us to the bank, the housing department, made sure our children were in school and even took us shopping. They gave us all the support we needed," she said.

Hafiza's husband began English classes under the Adult Migrant English Program (AMEP) soon after the family arrived, and is still improving his skills.

Hafiza began voluntary work as a community helper and translator. A year later she commenced paid employment in the role of an Administration Officer in the Department of the Premier and Cabinet in Queensland.

Support from ACCESS staff and the AMEP made the difficult task of setting up life in Australia easier.

"I felt excited and happy, knowing I was coming to a country where I could have a secure life and a future for my children, but it was also sad because I was leaving my family and friends and coming so far away from my homeland," said Hafiza.

For Hafiza the best things about life in Australia are security and opportunities.

"My children have much better opportunities here. They can go to school; they have great teachers that help them, access to libraries, the internet, computers... Everyday they come home carrying one or two new books from the library. I would never have been able to provide these things for them in Afghanistan."

## 2.1.1 SETTLEMENT PLANNING AND INFORMATION DELIVERY

Figure 59: Performance information—Settlement planning and information delivery

MEASURES	RESULTS
<b>Quantity:</b>	
Development of a national regionally based needs-based planning framework.	Development of the new needs-based planning framework is under way. Results of current activities will inform advertising of the new Settlement Grants Program in October 2005.
<b>Quality:</b>	
Satisfaction of Minister and key stakeholders with the new framework.	The Ministerial Council of Immigration and Multicultural Affairs (MCIMA) was briefed on development of the new needs-based planning framework at its May 2005 meeting. Key stakeholders are being consulted to identify priority settlement needs.
<b>Online settlement information:</b>	
<b>Quantity:</b>	
Maintain usage of <i>Beginning a new life in Australia</i> booklets and settlement data.	Booklets are available and were updated twice during the year; online information and Settlement Database were maintained and operational.
<b>Quality:</b>	
Satisfaction of clients.	No complaints were received during the year.

### Objective

To provide and facilitate access to information to:

- assist in the settlement of prospective and newly arrived migrants and humanitarian entrants, including identifying services to equip eligible migrants and humanitarian settlers to participate in society as soon as possible after arrival
- inform the planning process for the department's settlement services
- assist mainstream service agencies to plan the delivery of their services to meet the needs of migrants and humanitarian entrants.

### Description

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

## Analysis of performance

### Needs-based settlement planning

A number of recommendations in the *Report of the Review of Settlement Services for Migrants and Humanitarian Entrants 2003* (the Review) related to the department's settlement information and planning for the provision of settlement services.

The department is developing new needs-based settlement planning arrangements to inform the targeting and coordination of settlement services and to help mainstream service agencies better meet the needs of new arrivals. The needs analysis will inform the development of funding priorities and advertisements for the new Settlement Grants Program beginning in July 2006.

Consultation with a wide range of stakeholders, including the settlement services sector, key community groups and Australian state and territory service delivery agencies, will be a key element of the new planning arrangements. The department will analyse information gathered through this process, along with data from other sources such as our Settlement Database, to develop a national needs report that will provide a clearer picture of national settlement patterns and priority needs.

### The Refugee Resettlement Advisory Council

An important aspect of the planning process is consultation with the community sector. One of the principal ways this is achieved is through an ongoing dialogue between the Minister for Citizenship and Multicultural Affairs and the Refugee Resettlement Advisory Council (RRAC).

The RRAC, now in its fourth term, continued to provide high-quality policy advice and input to the Minister on the settlement of newly arrived humanitarian entrants and migrants and the implementation of the recommendations of the Review. For example, RRAC was used as a reference group for the development of the new Settlement Grants Program.

### Settlement information

The department published two updates of the *Beginning a life in Australia* booklets. The booklets welcome new and prospective migrants to Australia and provide information to them, their sponsors and service providers on the types of services available and advice on where to go to ask for assistance. Information is tailored for each state and territory and the booklets are published in English and 23 community languages. In 2004–05 the French language was included to meet the needs of some recently arrived refugees from Africa. The booklets are also on the department's website at [www.immi.gov.au/settle/booklets](http://www.immi.gov.au/settle/booklets)

As part of a suite of activities funded by the Government to support and encourage settlement in regional Australia, funds were made available to incorporate 'regional Australia' information into the *Life in Australia* web pages on our website. The new

section on Life in Regional Australia provides information on potential regional settlement locations to encourage prospective migrants to consider settling outside the major metropolitan centres. The section includes topics on information sources, visa categories and finding employment and housing in regional Australia. It also identifies a number of regional locations seeking to attract migrants. The regional pages highlight 36 regional centres with an information page and photos of each town.

To coincide with the introduction of the new regional pages, the department revised *Life in Australia* web information. The redeveloped web pages went live on our website on 30 June 2005 at [www.immi.gov.au/settle](http://www.immi.gov.au/settle).

The Settlement Database is a valuable tool for planning, targeting and evaluating settlement services and facilitates better service delivery for migrants. The database contains around 1.3 million records of visaed settler arrivals since 1 January 1991. Data includes country of birth, age, sex, migrant category, main language, English proficiency, location of residence in Australia, and many other variables. Departmental officers use this information to inform program planning and service delivery across Australia. Mainstream service providers and community-based users access this information through our Internet-based Settlement Reporting Facility (SRF).

The department is redeveloping and upgrading the technology of the database and its reporting facilities to improve the useability of the reports and the data.

## 2.1.2 HUMANITARIAN SETTLEMENT SERVICES

Figure 60: Performance information—Humanitarian settlement services

MEASURES	RESULTS
<b>Quantity:</b>	
11 300 Offshore Humanitarian Program entrants assisted.	<p>The Integrated Humanitarian Settlement Strategy (IHSS) assisted 13 347 entrants comprising:</p> <ul style="list-style-type: none"> <li>• 5318 refugees, eligible on a needs basis for initial information and orientation assistance, accommodation support, household formation support and early health assessment and intervention services</li> <li>• 7838 Special Humanitarian Program (SHP) entrants, eligible on a needs basis for household formation support, early health assessment and intervention and some support under other services. Proposers of these entrants are also eligible for Proposer Support services</li> <li>• there were 191 temporary protection visa (TPV), permanent protection visa (PPV) or temporary humanitarian visa (THV) holders eligible on a needs basis and upon first entering the community, for early health assessment and intervention services.</li> </ul>
<b>Quality:</b>	
High level of client satisfaction as measured through client and community feedback.	Clients and the community expressed a high level of satisfaction through feedback at various community consultations.

### Objective

To provide Refugees and Special Humanitarian (SHP) entrants with settlement services to help them become fully participating members of the Australian community as soon as possible.

### Description

This output component supports the provision of intensive initial settlement services to newly arrived refugees and SHP entrants under the Integrated Humanitarian Settlement Strategy (IHSS).

Thirty-nine contracted service providers delivered IHSS services across all states and territories. IHSS services included:

- initial information and orientation assistance
- accommodation support

- household formation support
- early health assessment and intervention
- proposer support.

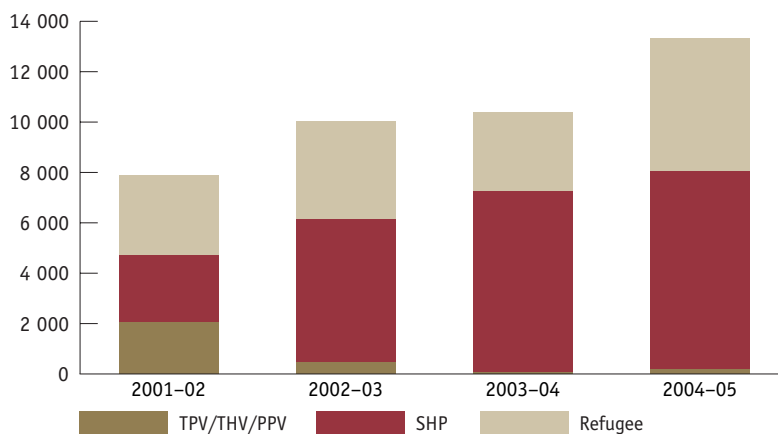
Volunteers helped service providers and offered entrants friendship and social support.

IHSS services focus on the initial settlement period which is generally about six months. While the IHSS aims to promote the competence of entrants and discourage dependency, some entrants require more assistance from general settlement services such as Migrant Resource Centres/Migrant Service Agencies and organisations funded under the Community Settlement Services Scheme.

### Analysis of performance

In 2004–05, 13 347 people were assisted under the IHSS, compared with 10 401 people in 2003–04.

Figure 61: Number of people assisted under the IHSS



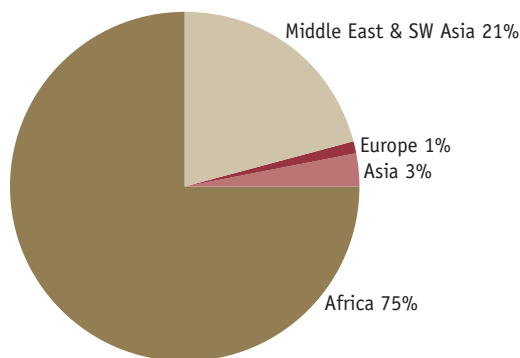
Sources: Humanitarian Settlement Client Information System (HuSCI), Integrated Humanitarian Settlement Strategy (IHSS) database and Travel and Immigration Processing Systems (TRIPS), DIMIA.

The number of refugees assisted under the IHSS increased by 69 per cent, from 3141 in 2003–04 to 5318 in 2004–05. The number of SHP entrants assisted increased by 9 per cent to 7838.

191 temporary protection visa (TPV), temporary humanitarian visa (THV) and permanent protection visa (PPV) holders were assisted in 2004–05, compared to 46 in 2003–04, 453 in 2002–03 and 2047 in 2001–02.

Seventy-five per cent of people assisted under the IHSS in 2004–05 were from Africa, compared to 63 per cent in 2003–04 and 44 per cent in 2002–03. The other significant group assisted were people from the Middle East and South West Asia, who comprised 21 per cent of the IHSS caseload, compared to 30 per cent in 2003–04 and 39 per cent in 2002–03.

Figure 62: People assisted during 2004–05 by source region



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

The IHSS caseload continues to change in line with trends in previous years. The proportion of entrants unable to speak English continues to rise, with 84 per cent of people assisted stating they required an interpreter. Education levels of people assisted remain low, with clients reporting they had received, on average, only 5.3 years of schooling.\* A total of 6001 (or 46 per cent) of all refugees and SHP entrants assisted in 2004–05 have lived in refugee camps, up from 21 per cent in 2003–04 and 15 per cent in 2002–03.

As a result of the 2004–05 Budget, SHP entrants became partially eligible for IHSS services that were previously only available to refugees—that is, partial provision of initial information and orientation and assistance to locate long-term rental accommodation.

The current IHSS contracts, progressively introduced from early 2000, will terminate on 30 September 2005. A tender for the delivery of IHSS services from 1 October 2005 to June 2010 was released on 4 September 2004 and closed on 10 January 2005. Details of the tender are provided under Output 2.1 Settlement services, ‘Highlights’.

A contract with the IOM was signed in August 2003 to deliver a pre-embarkation cultural orientation program to refugees and humanitarian entrants in Kenya. The Australian Cultural Orientation (AUSCO) program provides an introduction to aspects

\* Excludes clients who have not yet reached school age (ie. clients aged 0–4 years).

of Australian life and aims to enhance entrants' settlement prospects, develop realistic expectations for their life in Australia and help them acquire information about Australian culture before they arrive.

An evaluation of the pilot program in June 2004 found it was delivering a significant and positive impact on entrants' early settlement experience and should be an integral part of Australia's settlement program. A number of recommendations have been implemented to enhance the program's effectiveness.

During 2004–05, the AUSCO program was expanded from Kenya to locations in Egypt, Uganda, Tanzania, Guinea, Ghana, Sierra Leone, Jordan, Lebanon, Syria, Turkey, Pakistan, Iran and Thailand. From its inception in September 2003 through to 30 June 2005, more than 379 courses had been held, assisting around 7570 entrants.

A number of improvements were made to the AUSCO program during 2004–05, including:

- the facilitation of exposure visits to Australia for several contracted trainers to allow them to gain first-hand knowledge of Australian culture and settlement services
- the enhancement of training materials, including the development of a new video/DVD depicting Australian life and the settlement process. The video/DVD has been translated into Arabic, French and Dari
- the update and expansion of the program curriculum to better meet the requirements of course participants from different backgrounds and with different settlement needs.



## 2.1.3 SUPPORT FOR COMMUNITY SERVICES

Figure 63: Performance information—Support for community services

MEASURES	RESULTS
<b>Quantity:</b>	
Management of 392 MRC/MSA and CSSS—Service Agreements.	392 service agreements and work programs managed, comprising 364 CSSS grants and 28 MRCs/MSAs grants.
<b>Quality:</b>	
Service Agreements fulfilled and/or specific breaches addressed.	Improved financial monitoring through the continuation of 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.

The department supported the delivery of Migrant Resource Centres (MRC)/Migrant Service Agencies (MSA) and Community Settlement Services Scheme (CSSS) services by helping funded organisations manage work programs and service agreements, reporting and financial accountability requirements and provision of a national training strategy. The national training strategy was aimed at management committees/boards and staff, to assist their delivery of settlement services consistent with the objectives of our grants programs, and to meet service agreement requirements.

A total of 392 service agreements were managed in the 2004–05 funding year. Of these, 28 were for MRC/MSA core grants and 364, including 229 new grants in 2004–05, were for CSSS projects.

For the 2004–05 funding round, the department received 328 CSSS applications, of which 229 were successful. Successful organisations were offered funding for one, two or three years, or nine, 21 or 33 months. The nine, 21 and 33-month grants allowed existing grants, previously funded on an October to September 12-month cycle, to align with the new financial year funding period. From 2005–06, all grants will be on a financial year basis.

Twenty of the 2004–05 CSSS grants were funded as six-month transitional grants until 31 December 2004, totalling \$520 546, for organisations that primarily provide services to established communities. In response to the *Report of the Review of Settlement Services for Migrants and Humanitarian Entrants (2003)* (the Review), \$11.6 million was announced in the 2004–05 Budget to fund a new Community Partners Program (CPP) to be administered by the Department of Health and Ageing.

### **Analysis of performance**

The use of the online application for funding for Migrant Community Services streamlined the assessment and processing of applications. All 28 MRCs/MSAs applied online for core funding. Of the CSSS funding applications, 71 per cent were submitted online.

To improve program performance and accountability, a program of rolling audits of CSSS-funded organisations began in May 2004. The purpose of the audit program was to ensure that grant recipients were complying with the terms and conditions in the service agreement. At the same time, the audit program provided an opportunity to review the effectiveness of the reporting framework in supporting accountability requirements, and to identify areas for improvement in grant management practices for both the grant recipient and the department.

In 2004–05, 21 organisations were audited. The audit identified a number of opportunities to improve the performance accountability of the grants program, including clearer guidelines for grant recipients on their broad grant responsibilities and reporting requirements, more effective use of the work program in defining outputs and the development of a risk-based compliance framework for grant consultants. This is consistent with Recommendation 60 of the Review, which calls for the development of a risk assessment tool for use in the MRC/MSA and CSSS programs. Following piloting and refinement, the tool is expected to be implemented in 2006–07.

## 2.1.4 ADULT MIGRANT ENGLISH PROGRAM ADMINISTRATION

Figure 64: Performance information—Adult Migrant English Program (AMEP) Administration

MEASURES	RESULTS
<b>Quantity:</b>	
Management and monitoring of the performance of service providers (number managed/monitored)—18	18 contracts for AMEP tuition and associated services administered. Service delivery was monitored through regular contract meetings.
<b>Quality:</b>	
Contract breaches are promptly identified and managed.	Some service delivery requirements were not met. These breaches have been recorded and are being addressed. 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.

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.

Regular meetings with service providers are the main focus for contract management, enabling issues to be dealt with as they arise.

The contracts with service providers include a range of monitoring and standard accreditation mechanisms which include:

- a requirement for ongoing service provider accreditation from the National English Language Teaching Accreditation Scheme in relation to quality standards
- ANAO inspection of service providers
- quarterly reporting on key performance indicators (KPIs) and on any grievances received

*When officers from the Sudanese Government knocked on his door, Mohamed Saliem had no idea they were there to enlist him in the army to fight his fellow countrymen.*

*“They told us that we were going to work in a local village to help the people living there. The idea was to serve the community. I thought, why not?”*



## Mohamed Saliem

Soon after, Mohamed was shoved into the back of an army truck, then flown to the south, where he was forced to begin his training to fight in the front line against southern Sudanese. “It was all lies. They don’t tell you that you’re going to war,” Mohamed said.

Life in the army training camp was brutal. One night in the camp a riot broke out and in the chaos, Mohamed managed to escape and fled to Cairo where he applied for asylum and was accepted by Australia for resettlement as a refugee. He arrived in Australia in November 2001, when he was 23 years old.

“On the plane I was thinking, what will I do here? How will I start a new life? Will they accept me? Will I have difficulties with the language?”

At the airport he was met by workers from the New Hope Foundation Incorporated—an organisation funded by the department—who took Mohamed to his own fully furnished flat.

“I thought—wow! It was amazing. After Cairo it was a luxury life.

Everything was there—a bed, hot water, food, electricity, and people to help you,” he said.

Departmental staff also introduced Mohamed to the Adult Migrant English Program (AMEP).

“I spoke some English when I first arrived but I found the Australian accent really tough to understand. But when I joined the English classes, they helped me a lot and they were very understanding and helpful. They were very patient with us,” he said.

Two and a half years after touching down, Mohamed is now working for the organisation that helped him settle into life in Australia—the New Hope Foundation, and also running his own trolley collection business.

He is grateful to the Australian Government for paving the way to a new life in Australia, and providing help when he arrived. “They gave me everything, showed me everything. It’s like a new life. I consider myself lucky to have come to Australia.”

- annual reporting on KPIs and a range of other matters
- completion of agreed action plans within set time frames, where annual reporting reveals deficiency in any KPI of the service provider
- the conduct of and full reporting on annual client satisfaction surveys by service providers, which includes assessment of client satisfaction with counselling and referral services and the level of client knowledge of grievance procedures
- the capacity for the department to undertake its own periodic surveys of aspects of national AMEP service.

### **Analysis of performance**

A number of breaches or potential breaches were identified covering issues such as:

- less than the required minimum 80 per cent of surveyed clients indicating a knowledge of the process for hearing and resolving client grievances
- child care placements not made within the required three months for all clients needing this to access classroom tuition
- numbers of tutors trained or organisations assisted under the Home Tutor Scheme Enhancement Program not meeting the required targets.

Contract managers have worked with service providers to develop and implement strategies to rectify areas of deficiency in the delivery of services or where the service provider has not met required standards of performance against a key performance indicator.

These strategies are closely monitored by contract managers to ensure implementation within agreed timeframes is achieved. Service providers have been very responsive in addressing these issues.

## 2.1.5 FEE-FREE TRANSLATING AND INTERPRETING SERVICES

Figure 65: Performance information—Fee-free translating and interpreting services

MEASURES	RESULTS
<b>Quantity:</b>	
Number of fee-free services purchased—130 000: <ul style="list-style-type: none"> <li>• 10 000 document translations</li> <li>• 98 000 telephone interpreting services</li> <li>• 22 000 on-site interpreting visits.</li> </ul>	Number of services: 121 693 <ul style="list-style-type: none"> <li>• 8101 documents translated</li> <li>• 94 908 telephone interpreting</li> <li>• 18 684 on-site interpreting.</li> </ul>
<b>Quality:</b>	
Level of satisfaction of eligible clients with fee-free language services delivered.	High level of satisfaction of eligible clients with the quality of services measured by the lack of complaints on service standards and engagement of accredited translators and interpreters in the delivery of services.

### Objective

To facilitate full participation of migrants from non-English speaking backgrounds in Australia’s social and economic life through the provision of an effective means of communication.

### Description

This output delivers fee-free translating and interpreting services to eligible individuals and organisations.

Fee-free interpreting services are provided to approved individuals and organisations to help them communicate with non-English speaking migrants and humanitarian entrants who are Australian citizens or permanent residents. The 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
- members of parliament for constituency purposes
- local government authorities
- trade unions
- Emergency Management Australia.

Documents for fee-free translation include settlement-related personal documents, identity and relationship documents (for example birth and marriage certificates),

facilitation documents (for example drivers' licences), and education and employment documents. Fee-free translations are provided to permanent residents and Australian citizens within their first two years of arrival or grant of permanent residence.

### **Analysis of performance**

The number of fee-free interpreting services provided in 2004–05 was comparable with the number of services provided in 2003–04, but lower than projections of demand.

The department continued strategies aiming at more equitable access to services for eligible clients through the promotion of the telephone interpreting service to all client groups, liaison with private medical practitioners encouraging the use of the Doctors Priority Line, and raising awareness amongst community sectors to shift away from the more costly on-site to telephone interpreting. We achieved our objective of meeting demands on a more equitable basis within allocated funds.

A major focus was developing strategies for basic interpreting skills training to respond to the language needs of the humanitarian entrants from Africa and the Middle East in new and emerging community languages. Work in this area will continue in 2005–06.

In 2004–05, the number of fee-free translation services (8101 documents) decreased from 8642 documents in 2003–04, reflecting the changing composition of the humanitarian intake. In recent intakes, people from some communities, mainly African, have arrived without personal documentation, resulting in a decrease in demand for translations.

The high-demand languages for interpreting were: Arabic, Vietnamese, Mandarin, Serbian, Cantonese, Persian, Turkish, Spanish, Russian, and Korean. The high-demand languages for translation were: Arabic, Mandarin/Cantonese (Chinese), Russian, Persian, Spanish, Croatian, Serbian, Vietnamese, Ukrainian and French.

## Output 2.2—Translating and interpreting services

### DESCRIPTION

The Translating and Interpreting Services Output will:

- Continue the move to a business like national Translating and Interpreting Service (TIS) to provide the means of communication essential to a culturally and linguistically diverse society
- Provide a quality, responsive and professional service.

### HIGHLIGHTS

Requests for telephone interpreting service continued to grow and the number of jobs completed was ten per cent above the Portfolio Budget Statements target. This target was raised from 350 000 for the previous financial year to 400 000 for 2004–05.

The outstanding debt for TIS was further reduced by 31 per cent and is currently at a record low. There were two major system changes where TIS migrated to DIMIA Network from the AMEP Reporting and Management System Network and changed its financial management system from Oracle Government Financials (OGF) to Systems, Applications, Products in Data Processing.



*Working to provide a quality service.*



## 2.2.1 DOCUMENT TRANSLATING

Figure 66: Performance information—Document translating

MEASURES	RESULTS
<b>Quantity:</b>	
Number of documents to be translated—10 000.	8101
<b>Quality:</b>	
90 per cent of fee-free translations will be processed within 20 working days of request.	93 per cent
95 per cent of translating jobs done by NAATI-accredited/recognised translator.	100 per cent

### Objective

To provide a national service for the translation of settlement-related personal documents.

### Description

Newly arrived migrants/refugees are provided with fee-free translations of settlement-related personal documents. Documents eligible for fee-free translation include documentation relating to identity and relationship, facilitation, education and employment. 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 and using National Accreditation Authority for Translators and Interpreters (NAATI)-accredited translators on 95 per cent of instances were both met comfortably.

The number of translations was 1900 below projected volumes, mainly because of the nature of the humanitarian intake and because many people are arriving without documentation.

The high-demand languages for translations were Arabic, Mandarin/Cantonese (Chinese), Russian, Persian, Spanish, Croatian, Serbian, Vietnamese, Ukrainian and French.

## 2.2.2 TELEPHONE INTERPRETING

Figure 67: Performance information—Telephone interpreting

MEASURES	RESULTS
<b>Quantity:</b>	
Number of telephone interpreting calls—400 000	441 952
<b>Quality:</b>	
90 per cent 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 93 per cent of calls were connected to a telephone interpreter in a major community language within three minutes.
90 per cent of interpreter jobs will be done by a NAATI-accredited/recognised interpreter.	92 per cent

### 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 facilities that allow for a three-way conversation between English-speaking and non-English-speaking parties and a 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

A total of 658 100 telephone enquiries were received in the TIS national contact centre. From this call volume a total of 441 952 telephone interpreting assignments were delivered, compared to a projection of 400 000 assignments. The target was revised upwards in 2004–05 from 350 000 to reflect the growth in call assignments being received in the contact centre. Since the consolidation of TIS offices into a single contact centre in Melbourne in early 2002, overall call assignments have increased by 53 per cent.

This growth in call volumes and the continuing decline in the delivery of on-site services indicate that the TIS client base is increasingly using the more cost-effective telephone interpreting service.

The percentage of tasks to be undertaken by a National Accreditation Authority for Translators and Interpreters (NAATI)-accredited/recognised interpreter was increased from 85 to 90 per cent this year to reflect improved access to NAATI accredited/recognised interpreters for work allocation. This measure was met comfortably.

The high-demand languages were Arabic, Vietnamese, Mandarin/Cantonese (Chinese), Korean, Serbian, Turkish, Persian, Spanish and Russian. Russian replaced Greek in the languages in greatest demand this year.

TIS continues to make special efforts to recruit interpreters in new and emerging languages for which interpreters are in short supply. TIS was able to recruit a total of 48 additional interpreters who are able to speak 105 different languages/dialects, primarily African languages. The majority of these additional interpreters are not NAATI-accredited at this stage but TIS is encouraging them to upgrade their interpreting qualifications. NAATI is not able to offer professional accreditation in all of the new and emerging languages at this stage, but this is expected to change as these communities become more established in Australia.



*Coordinating another TIS request.*

### 2.2.3 ON-SITE INTERPRETING

Figure 68: Performance information—On-site interpreting

MEASURES	RESULTS
<b>Quantity:</b>	
Number of on-site interpreting visits—48 000.	46 575
<b>Quality:</b>	
85 per cent of requests for an on-site interpreter will result in a confirmed appointment within 3 working days.	92 per cent
90 per cent of interpreter jobs will be done by a NAATI accredited/recognised interpreter.	87 per cent

#### Objective

To provide interpreters for face-to-face interpreting assignments.

#### Description

Where a client requires a face-to-face interpreting assignment, the Translating and Interpreting Service (TIS) arranges for an interpreter to attend at the specified location and time.

#### Analysis of performance

On-site interpreting requests continued to decrease. A total of 46 575 on-site interpreting assignments were completed in 2004–05, compared with 49 200 assignments in 2003–04. The decrease in demand in 2004–05 (2600) was considerably smaller in volume compared to 2002–03 (15 500).

Reasons for this continuing decline in demand included:

- the continuing low demand for on-site interpreters associated with the processing of applications for protection by asylum seekers
- competitors capturing market share by offering lower prices
- clients moving towards telephone interpreting as a more cost-effective service.

The percentage of assignments to be undertaken by a National Accreditation Authority for Translators and Interpreters (NAATI) accredited/recognised interpreter has increased from 85 to 90 per cent. TIS achieved 87 per cent for the year compared to 89 per cent last year. This change in performance reflects the make-up of assignments, with a greater proportion of jobs coming from new and emerging community languages. Because of the time taken to achieve NAATI accreditation or

recognition for new and emerging languages, a higher proportion of assignments in these languages negatively impacts performance against this measure.

The high-demand languages for on-site services were Arabic, Vietnamese, Serbian, Mandarin/Cantonese (Chinese), Persian, Bosnian, Turkish, Dari (Afghani) and Spanish.

## Output 2.3—Australian citizenship

### DESCRIPTION

The Australian Citizenship Output will:

- continue to ensure that citizenship law and policy achieve the objectives of the *Australian Citizenship Act 1948*
- encourage the community to value citizenship by:
  - continuing to implement the government's response to the Australian Citizenship Council Report, *Australian Citizenship for a New Century*
  - implementing an ongoing program to promote the acquisition of Australian Citizenship
  - ensure timely access to the privileges and responsibilities of Australian Citizenship by eligible non-citizens.



*Australia Day 2005: After presiding for the first time at a citizenship ceremony, the Prime Minister, the Hon. John Howard MP, presents a citizenship certificate to 6-year-old Nisha Banka.*

## HIGHLIGHTS

A number of changes to the 55-year-old *Australian Citizenship Act 1948* were announced to bring citizenship legislation into line with, and to reflect the needs of, Australia in the twenty-first century. These changes include:

- removal of inappropriate barriers to resumption of citizenship by former citizens following the repeal of s17 of the Act in 2002
- removal of the age limit for registration of citizenship by descent
- strengthening the integrity and improving the consistency of the discretions to waive the residence requirements in certain circumstances.

Many significant citizenship ceremonies were held in 2004–05. The Prime Minister, Mr Howard, conducted his first citizenship ceremony on Australia Day 2005 and the Governor-General conducted a citizenship ceremony at Government House on Australian Citizenship Day 17 September 2004. More than 8000 people became Australian citizens at over 180 special ceremonies on and around Australian Citizenship Day, and many thousands of people affirmed their Australian citizenship at these ceremonies. Adelaide hosted a Citizenship Ceremony with a record 320 conferrals for the state, and some 600 people were conferred at a citizenship ceremony in Brisbane.

111 713 people became Australian citizens by grant, descent and resumption, including 98 008 who became citizens by grant, an increase of 7.5 per cent on 2003–04.



*Peter Knobel, Citizenship Program Manager, ACT Regional Office, presents citizenship certificates to grand nephew of Alfred Deakin (Australia's second Prime Minister) and his family.*

## 2.3.1 DECISIONS ON CITIZENSHIP STATUS

Figure 69: Performance information—Decisions on citizenship status

MEASURES	RESULTS
<b>Quantity:</b>	
93 401 citizenship status decisions (persons) made—including 73 000 applications (persons) for grant finalised.	129 034 decisions (persons) on citizenship status made, including 102 063 applications (persons) for grant finalised.
<b>Quality:</b>	
35 per cent of grant applications finalised on the day of lodgement and 90 per cent of grant applications finalised within 90 days of lodgement.	44.4 per cent of grant applications finalised on the day of lodgement, and 89 per cent within 90 days of lodgement.
Less than 1 per cent of negative decisions overturned at review.	0.2 per cent of negative decisions overturned at Review Tribunal.

Source: Legal Services and Outcomes Reporting Sections, DIMIA.

### 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

In 2004–05, 102 063 decisions for grant of citizenship were finalised, the highest number since 1996–97. This is an increase of 6.6 per cent from 2003–04. The number of positive citizenship decisions increased by 7.5 per cent from 2003–04. This continues the upward trend of decisions made since 2000–01.

The overall approval rate for grant, resumption and descent applications increased to 96.8 per cent in 2004–05 from 96.3 per cent in 2003–04.



The introduction of the National Appointments System has increased client accessibility to interview schedules and reduced the waiting times and need for repeated visits to the department. It has allowed clients to nominate citizenship appointment times that best suit their availability. There were 89 per cent of applications decided within 90 days of lodgement and 44.4 per cent decided on the day of lodgement.

The department continues to promote use of the Internet facility for lodgement of citizenship applications. A growing number of people are choosing the convenience of applying online with 22 766 people lodging e-applications in 2004–05. This represents 18.8 per cent of all applications received in 2004–05 (16.8 per cent in 2003–04).

Figure 70: Outcomes for citizenship applications, 2002–03 to 2004–05

	2002–03	2003–04	2004–05
People granted Australian citizenship	83 077	91 233	98 008
People issued with Certificates of Evidence of Australian citizenship	9 522	11 515	12 719
People registered as Australian citizens by descent	10 411	14 005	13 264
People registered as losing Australian citizenship*	498	496	463
People resuming Australian citizenship	516	410	441

\* Loss statistics include renunciation of Australian citizenship.

Source: ICSE data extraction, Outcomes Reporting Section DIMIA.

93 095 people were conferred citizenship at ceremonies, an increase of 4.7 per cent over 2003–04.

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 2004–05 is provided at Appendix 2.

In 2004–05, the Citizenship Information Line (CIL) received 457 489 calls, an average of 38 124 calls per month (444 223 calls in 2003–04, an average of 37 019 calls per month). CIL responds to citizenship inquiries from around Australia and distributes information and application kits to clients.

The citizenship quality assurance program for Australian citizenship processing continued. 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 has reinforced the integrity of the citizenship program.

General public enquiries submitted to the Citizenship Mailbox numbered 4852, a 13.5 per cent increase from 2003–04. All enquiries were responded to within 24 hours.

In 2004–05, the Citizenship Helpdesk received 3506 internal enquiries from state and territory offices and overseas posts, a 35 per cent increase in total queries in relation to 2003–04. Ninety eight per cent were responded to within 24 hours.

## Fine examples of leadership to all Australians

*Migrants who have become Australian Citizens recognised for their valued contribution to Australian Society*



### **ANTONIO MILHINHOS—2005 SENIOR AUSTRALIAN OF THE YEAR**

*“Being an Australian citizen means I am fully part of this great country where everyone is equal, everyone has a right to an education, choices, and opportunities, to get out there and have a go.”*

Senior Australian of the year Antonio Milhinhos is a proud Australian, who became an Australian citizen in 1972. Mr Milhinhos who arrived in Australia from Portugal in 1967 and after living in Australia for about 5 years, he decided then this was the place he wanted to live, as it felt like home.

*“It feels good to be an Australian because our country has a long history in helping to make the world a better place. Australians are very generous people and it doesn’t seem to matter how little they have themselves, they are willing to help others in need.*

*I know an elderly pensioner lady in her 70s who insisted in donating \$100 to the tsunami appeal—this was a lot of money for her.”*

Mr Milhinhos does not think much about his own history of giving, he simply says *“I did not have much when I came to Australia and this country has been good to me, after all we are in this world as care takers and till God decides otherwise.”*

His family’s first large contribution to those less fortunate began with the Ash Wednesday fire victims and since then they have not looked back, many individuals, charity and community groups have benefited from their generosity.

The family’s most recent fund raiser and donation was for the Tsunami Victims Appeal where in only 19 days more than \$200 000 found the way to Care Australia.



### **KHOA DO—2005 YOUNG AUSTRALIAN OF THE YEAR**

*“Being a citizen means living the Australian way of life, having wonderful values and coming home with a big grin on my face.”*

Mateship, generosity, selflessness and honesty is what being an Australian means to Young Australian of the Year, Khoa Do.

Mr Do, who became an Australian citizen in 1983, says Australia is a wonderful place.

*“My parents moved from Vietnam after the war. Australia seemed a wonderful place to live,”* says Mr Do who was two years old when his family settled in Sydney.

As a writer, director, actor and teacher Mr Do has carved an impressive niche for himself in the Australian film industry.

He has been recognised for both his achievements in the industry and his volunteer work with young people.



### **FIONA WOOD AM—2005 AUSTRALIAN OF THE YEAR**

*“There are many great values associated with being Australian including the positive human spirit.*

*These values are not always expressed but they are always accessible—just look at the number of volunteers we have in this country and how Australians respond in times of crisis to international disasters such as the Bali bombings or the Tsunami.”*

British-born Australian of the Year, Clinical Professor Fiona Wood FRACS AM became an Australian citizen in 1987 after marrying a Western Australian surgeon and moving to Perth where she lives with her husband and six children.

*“Australia is my home now and where I belong,”* she says.

*“I haven’t relinquished my English origins but rather moved to another phase of my life.”*

Professor Wood is Director of the Western Australia Burns Service and

also co-founder of Clinical Cell Culture, a private company commercialising the work of the McComb Foundation recognised in medical circles for its world-leading research and breakthroughs in the treatment of burns.

She has become world renowned for the patented invention of spray on skin cells for burns victims, a treatment which is continually developing. In October 2002 Professor Wood was propelled into the media spotlight when the largest proportion of survivors from the Bali bombings arrived at Royal Perth Hospital.

## 2.3.2 PROMOTION OF THE VALUE OF AUSTRALIAN CITIZENSHIP

Figure 71: Performance information—Promotion of the value of Australian citizenship

MEASURES	RESULTS
<b>Quantity:</b>	
Development and implementation of a campaign promoting the value of Australian Citizenship with Australia Day, Harmony Day and Australian Citizenship Day as focus points.	The campaign was successfully implemented. This involved print, television and radio advertising, public relations activities, a schools program and promotional events. Promotional events included special citizenship ceremonies in association with Australian Citizenship Day on 17 September 2004, Australia Day 2005, Harmony Day in March 2005 and World Refugee Day in June 2005.
<b>Quality:</b>	
Satisfaction of Minister and other key stakeholders with the development and implementation of the citizenship promotion campaign.	Satisfaction of the Minister and other key stakeholders with the 2004–05 Australian Citizenship promotion campaign: <ul style="list-style-type: none"> <li>• Maintained citizenship application levels above the base year and enhanced the profile of citizenship in the community.</li> <li>• Positive response and involvement from the community to the Australian Citizenship promotion, including Australian Citizenship Day celebrations in 2004 and Australia Day in 2005 in every state and territory, and attendance at special citizenship ceremonies and affirmation ceremonies.</li> </ul>

### 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 it continues to reflect the changing values of the Australian community.

The extent to which this has been achieved has been measured by:

- the announcement of a number of changes to the *Australian Citizenship Act 1948* to bring citizenship legislation into line with, and to reflect the needs of, Australia

in the twenty-first century. These changes include the removal of inappropriate barriers to the resumption of citizenship by former citizens following the repeal of s17 of the Act in 2002; removing the age limit for registration of citizenship by descent; and strengthening the integrity and improving the consistency of the discretions to waive the residence requirements in certain circumstances

- ongoing satisfaction with the high-level policy advice provided to the Minister, senior management, citizenship decision-makers and other key stakeholders on citizenship related matters including citizenship legislation.

The objectives of the Australian citizenship promotion campaign are to promote the acquisition of Australian citizenship among eligible non-citizens and to enhance the profile and significance of Australian citizenship.

The extent to which the objectives have been achieved is indicated by the following:

- citizenship application levels in 2004–05 continued to be strong, with the level of application rates 37.3 per cent above the level of applications in the pre-campaign base year, 2000. Over the two-month period of the campaign surrounding Australian Citizenship Day—1 August to 30 September 2004—application levels increased by 8.9 per cent compared to the same period in 2003
- during the campaign period 1 August to 30 September 2004, there were 458 press, radio and television items about and around Australian Citizenship Day. This was a 30 per cent decline in volume compared to the previous year, due in part to the media focus on the Athens Olympic Games. The majority of the 2004 coverage (91.3 per cent) was positive or balanced in tone. The overall success of the coverage was largely due to the personal stories of the conferees about why becoming an Australian citizenship was important to them. During the 2004 campaign, a wide range of promotional products was distributed, including an Australian Citizenship Day primary schools' resource kit sent to more than 8000 schools around Australia
- many significant citizenship ceremonies were held in 2004–05. For the first time the Governor-General presided at a citizenship ceremony, at Government House on Australian Citizenship Day 17 September 2004. More than 8000 people became Australian citizens at over 180 special ceremonies on and around Australian Citizenship Day and many thousands of people affirmed their Australian citizenship at these ceremonies. Adelaide hosted a Citizenship Ceremony with a record 320 conferrals for the state, and some 600 people were conferred at a citizenship ceremony in Brisbane
- on Australia Day 2005 in Canberra, the Prime Minister presided at his first citizenship ceremony, and conferred citizenship on 82 candidates
- there was a sustained, strong interest in the citizenship website and Citizenship Information Line (CIL) in 2004–05. Electronic lodgement of citizenship applications increased by 36.9 per cent from 2003–04, and the number of calls made to the CIL increased by 1.4 per cent from the previous year to 457 489 calls.

## Output 2.4—Promoting the benefits of cultural diversity

### DESCRIPTION

This Output provides leadership for the implementation of multicultural policy, in consultation with Australian Government agencies. It will:

- enhance community harmony, through the Living in Harmony initiative, including significant commitment to Harmony Day, and the management of tensions and threats by working closely with individuals and communities and cooperating closely with state and territory governments
- make further gains in the implementation of the Access and Equity Strategy, by ensuring that all government services are attuned to Australia's diversity and respond accordingly and consistently with the requirements of the Charter of Public Service in a Culturally Diverse Society
- seek to further engage the public and private sectors to use Australia's language and cultural diversity for the economic and social benefit of all Australians, through the "*Diversity Works!*" Program.

### HIGHLIGHTS

The department began an extensive evaluation of multicultural policy and programs, including the Living in Harmony initiative. The evaluation incorporates:

- a stocktake of outputs and outcomes
- surveying and consulting with stakeholders such as the Federation of Ethnic Communities' Councils of Australia and the Council for Multicultural Australia
- roundtable consultations targeting a broad range of interests and constituencies beyond our usual stakeholders, including representatives from the private and community sectors, religious organisations, sporting bodies and local government
- an analysis of the efficiency, effectiveness and accountability of the program
- formulating future directions for a new policy proposal.

A record number of 2754 Harmony Day events were sponsored by governments, community organisations, schools and other educational institutions, and the 17 Harmony Day partners. Independent media monitoring advice suggests Harmony Day has become a permanent fixture on Australia's multicultural calendar and that the media and their audiences are much more aware of Harmony Day and its messages than in previous years.

The department sought to improve grant applications and develop innovative approaches to targeting local issues of racism. Departmental officers met with community groups in Brisbane, Newcastle, Townsville and Wagga Wagga to discuss specific issues of racism and the potential for response through the community grants program. This contact has informed the development of focus areas for the 2005 community grants round and, together with information sessions in a number of centres, has resulted in an improvement in the quality of grant applications from these areas.

In 2004–05 the Living in Harmony initiative's partnerships program deepened its involvement in strengthening relationships between major Australian institutions and Australia's multicultural communities, particularly within the court system and among law enforcement agencies. A major goal has been improving the trust and confidence of new and emerging communities around the rule of law as a foundation of Australian society. The program has continued its focus on youth and has entered into a number of new strategic partnerships with key organisations from the media sector and from among local government.

A *"Diversity Works!"* Information Kit was launched by the Minister in March 2005 at a business luncheon *"Diversity Works!"* Program 'Engaging the New Europe' hosted by the European Australian Business Council (EABC) and the department. The kit includes a Guide for Business to better use the language and cultural skills of Australia's diverse workforce. Ten new case studies covering public, private, cross industry



*The circle of Harmony at the Harmony Day celebrations in Southport, QLD.*



sectors and small, medium and large corporations were provided for the kit. The Diversity Australia website was upgraded and restructured to improve its usability to coincide with the launch of the new kit.

The National Centre for Vocational Education Research was commissioned to consult with each education sector to identify key educational concepts and courses in order to link the Diversity Australia website resources to them to better promote diversity management education across the three sectors (schools, vocational education and training and higher education). The guides are being finalised following national trialling. Feedback from around the country during the trialling has been very positive.

There was a further increase in the number of agencies reporting on the implementation of Access and Equity. Sixty-four Australian Government agencies reported in 2004 compared to 58 in 2003. Statistics on the number of performance indicators that were met well were incorporated into the 2004 Access and Equity Annual Report. Seventeen local governments and nine new Australian Government agencies provided contributions for the first time.

Community Liaison Officers in all states and territories maintained contact with local and national community organisations, providing information to communities and reporting on community tensions and related issues of concern to communities. Following the 2004 Indian Ocean tsunami, the department provided reports on community reactions and contributed to the Government's coordinated response effort.

We continued to promote local government responses to cultural diversity through case studies on our website, sponsoring a category of the National Awards for Local Government, and supporting a leading practice seminar in South Australia.

Workshops on aspects of multicultural policy were held at the international conference 'Transformations: Culture and the Environment in Human Development' in February 2005, and the annual conference of the Federation of Ethnic Communities' Councils in May 2005.

## Output 2.4—Promoting the benefits of cultural diversity

Figure 72: Performance information—Promoting the benefits of cultural diversity

MEASURES	RESULTS
<b>Quantity:</b>	
Number of items of policy and other advice provided to Australian and other governments, international agencies and the Australian Community.	<p>A total of 350 items of advice were provided during the year. This included 38 items of advice in relation to international obligations, 70 to other Commonwealth government agencies in relation to Access and Equity, and the production of 23 newsletters distributed to local government and Australian Government networks.</p> <p>The department also participated in five youth-related interdepartmental committees.</p>
Council for Multicultural Australia (CMA) meets quarterly, represents the Minister at functions and engages in task groups.	<p>CMA meetings were held in December 2004, and March and June 2005.</p> <p>CMA members attended functions, conferences, and consultations, 22 as formal representatives of the CMA and also represented the Minister as requested.</p> <p>The CMA provided advice on multicultural policy and programs to the Minister and department and contributed to the evaluation of multicultural policy.</p> <p>The CMA assisted in the assessment process of 529 grants received in the 2004–05 Living in Harmony community grants round. The CMA was also engaged regarding assessment of the 642 grant applications lodged for the 2005–06 grant year.</p>
Liaison maintained with approximately 4500 community organisations and individuals nationally.	<p>The department maintained contact with over 8000 community organisations and individuals, with emphasis on Middle Eastern, Muslim and new and emerging African communities. The department had more extensive contacts with over 3000 ethnic and religious organisations on a range of issues important to those communities.</p>
An estimated eight Living in Harmony partnerships, 10 Productive Diversity projects, 20 Harmony Day corporate partners managed and 50 local government authorities engaged.	<p>Seven concluding, continuing or new Living in Harmony partnerships were managed in the period, contracting was proceeding for an eighth and four new proposals were being considered. Seventeen Harmony Day Corporate Partners worked with the Department on Harmony Day 2005. Ten “Diversity Works!” Program projects were managed.</p> <p>20% of all Harmony Day events were from the government sector (Commonwealth: 9% State: 5% Local Government: 6% events)</p>

Figure 72 continued

MEASURES	RESULTS
	<p>All “Diversity Works!” projects were completed on time and within budget.</p> <p>Six local government authorities were awarded grants in August 2004, and 128 local government authorities took part in Harmony Day 2005. 72 local government authorities applied for Living in Harmony community grants in June 2005.</p> <p>The department provided guidance to local government by presenting information at 3 national local government conferences, direct contact with 75 local governments through leading practice seminars, interdepartmental seminars and the Strength in Diversity Award, and promoted local government responses to cultural diversity by launching 23 new case studies on the department’s website.</p>
<p>Promotional events and activities organised by the department and communities, particularly regarding Harmony Day and productive diversity programs.</p>	<p>A case study on the current and potential contribution of the Halal food industry to the Australian economy was launched by the Minister in August 2004. Over 2000 copies have been distributed.</p> <p>The Minister hosted a luncheon ‘Engaging the New Europe’ in March 2005 to promote the benefits to business of capitalising on Australia’s cultural and linguistic diversity. The 168 attendees included executives from Australia’s leading corporations.</p> <p>A “Diversity Works!” Information Kit including ten new case studies and a Guide for Business were launched at the luncheon. The kit has been distributed nationwide to 922 stakeholders including 71 peak business and industry bodies and 36 educational institutions. An upgraded Diversity Australia website and a new “Diversity Works!” logo were also launched at the event.</p> <p>The Access and Equity Report was tabled on 15 March 2005.</p> <p>The department received 2754 Harmony Day event registrations (360% increase from 2004) on <a href="http://www.harmony.gov.au">www.harmony.gov.au</a> and 3902 organisations and individuals (23% increase from 2004) ordered Harmony Day products.</p> <p>In collaboration with the department, <i>The Canberra Times</i>, produced <i>Faces of Australia</i>, a 16-page educational supplement aimed at students and teachers in upper primary and lower secondary schools. The supplement encouraged people to understand the benefits of our cultural diversity.</p>
<p>Completion of ministerial correspondence, briefs, speeches, situation reports, community update reports and other documents as required.</p>	<p>500 Ministerial replies, 138 briefs, 32 speeches, 12 situation reports, 11 community update and multicultural issues reports were produced in the department’s national office.</p> <p>In addition, State and Territory Offices produced 282 responses to Ministerial correspondence, 394 briefs and 60 speeches.</p>

Figure 72 continued

MEASURES	RESULTS
<b>Quality:</b>	
High level of satisfaction by recipients of policy and other advisings.	The Minister sought and accepted much of the advice during the year, for example on a strategy for the evaluation of multicultural policy and programs, the Living in Harmony partnerships projects and approaches for Harmony Day 2005. The department's advice regarding international reports and delegation briefs is strongly appreciated.
High level of satisfaction of the Minister with CMA activities.	The Minister expressed satisfaction with the work of the CMA in meetings and in letters to the Chair. The Minister responded favourably to a CMA advice paper on multicultural policy challenges and directions.
Extent to which engagements with community groups, organisations, individuals and local government authorities enhance intra and inter-governmental and community relationships; extent to which community relations issues are well managed; extent to which advice on these are accepted by Ministers, departmental Executive and communities.	Government and community relationships were strengthened through the department's community liaison function. The Minister sought and accepted departmental advice concerning community relations issues. Discussions with community groups on specific issues led to higher quality Living in Harmony grant applications.
All Living in Harmony partnerships and projects met their agreed objectives within agreed periods, and completed to the satisfaction of the Minister and other stakeholders.	All seven partnerships are currently on track to deliver agreed objectives.
Positive impacts of the promotional events and activities as assessed by media reporting and community participation.	The media coverage of the 2005 Harmony Day campaign was overwhelmingly positive (98.5 per cent of press items were classified by Media Monitors as 'favourable' or 'balanced'). This demonstrates that Harmony Day is increasingly and widely accepted by the community at large. <i>The Canberra Times</i> received 9355 advance orders for copies of <i>The Faces of Australia</i> supplement from schools in the Canberra/Queanbeyan region, NSW, QLD and SA.
High level of satisfaction of the Ministers, departmental Executive and other stakeholders with reports and documents provided.	The Ministers expressed satisfaction that there had been an improvement in the way government services were delivered to culturally and linguistically diverse clients.

## Objective

To provide policy advice on Australian multiculturalism in order to ensure that cultural diversity is a unifying force in Australia leading to social cohesion and community harmony.

## Description

This Output covers implementation of the Government's 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

The department's state and territory offices contacted more than 8000 community groups and individuals, government and non-government agencies. The aim was to build coordinated working relationships, ensure all interested parties are included in the management of portfolio policies and programs, and negotiate on matters that could affect community harmony. State and territory offices maintained more intensive contact with more than 3000 individuals and community organisations. Community leaders continue to report satisfaction with ongoing liaison and consultation by the Ministers and the department.

Departmental Multicultural Issues Reports and Community Updates Reports provided the Ministers and Executive with information about broad community issues and, together with advice received from other Australian government agencies, helped update our community relations strategy. The strategy ensures readiness to address major community relations tensions that may arise in the future.

During the year, the department monitored and provided advice to the Ministers on community harmony and inter-faith issues, and threats to community relations, such as instances of racial and religious vilification and property vandalism. The main challenges to community harmony in Australia continued to be expressions of hostility towards Australian Muslims, anti-Semitic incidents, anti-Asian activity within parts of the community, perceived links between criminal behaviour and ethnicity, and a distrust of African arrivals, especially youth by some in the community.

We produce an annual multicultural diary that highlights the range of important events, festivals and days, both cultural and religious, celebrated throughout Australia. In 2004–05, almost 6000 copies were distributed to federal, state and territory members of parliament, local councils, diplomatic representatives, community organisations, schools and individuals.

As part of an internal evaluation of multicultural policy and programs, including the Living in Harmony program, the department developed a targeted consultation strategy that included:

- provision of an advice paper by the Council for Multicultural Australia
- consultation with the Federation of Ethnic Communities' Councils of Australia
- surveying key stakeholders of multicultural programs to seek their views on the effectiveness of programs and possible future directions
- community consultations targeting a broad range of interests and constituencies beyond our usual stakeholders, including representatives from the private and community sectors, religious organisations, sporting bodies and local government
- seeking the views of Australian and state and territory departments and agencies on multicultural policy, programs and possible future directions.

Harmony Day, 21 March 2005, which recognises and celebrates 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 2005. In particular, there was strong public endorsement from 17 Harmony Day partners from business, media, sporting and peak community organisations.

Participation from partners, chosen for their strong national profiles and proven credentials as corporate and social leaders, increased from over 250 events in 2004 to over 330 in 2005.

In all, the department's website recorded a total of 2754 registrations for Harmony Day events. Twenty per cent were from government, 14 per cent from community organisations, 53 per cent from schools and other educational bodies and 10 per cent from businesses.

Media coverage of Harmony Day 2005 increased marginally from 2004. While there was a drop in press coverage, there was a welcome increase in Internet coverage, the preferred medium for young Australians.

Figure 73: Volume of media coverage, Harmony Day 2004–05

Media	Volume		per cent change
	2004	2005	
Press	764	668	12.5 per cent decrease
Radio	391	398	2 per cent increase
Television	256	269	5 per cent increase
Internet	24	103	329 per cent increase
<b>Total media</b>	<b>1 435</b>	<b>1 438</b>	<b>0.2 per cent increase</b>

Independent media analysis indicated that the media and their audiences were much more aware of what Harmony Day was in 2005 and that it is now a permanent fixture on Australia's multicultural calendar.

There was a distinct emphasis on the educational aspect of celebrations this year. Readers of press articles were encouraged to enhance their own understanding of the concept of multiculturalism by acknowledging the many and varied cultures living in their local community.

The department managed seven Living in Harmony partnerships and contracting was proceeding for an eighth.

The 42 new Living in Harmony grants awarded in 2004 focused on issues affecting Indigenous Australians, Australians in rural and regional areas, Australian women (with a particular emphasis on Muslim women), and older Australians.

In preparation for the 2005 community grants round, the department conducted information sessions in Adelaide, Canberra, Hobart, Launceston and Perth. Departmental officers also met with community groups in Brisbane, Newcastle, Wagga Wagga and Townsville to discuss specific issues of racism and the potential for response through the community grants program. Following this contact, we received several excellent grant applications from these organisations and others dealing with the issues. This community contact also helped to inform the focus for the 2005 grants round on issues concerning new and emerging communities.

Sixty-four Australian Government agencies (58 in 2003) reported on their performance against the Performance Indicators set out in the Performance Management Framework of the Charter of Public Service in a Culturally Diverse Society. Of these agencies, 63 met all of the performance indicators relevant to them, and 52.5 per cent of all indicators were met well. Local governments and nine new Australian Government agencies provided contributions for the first time.

The department facilitated workshops on aspects of multicultural policy at the 'Transformations' conference, held in February and the annual conference of the Federation of Ethnic Communities' Councils of Australia in May 2005.

## Outcome 2—Administered items

### ADULT MIGRANT ENGLISH PROGRAM (AMEP)—TUITION, ACCOMMODATION AND RELATED EXPENSES

Figure 74: Performance information—AMEP tuition, accommodation and related expenses

MEASURES 2004	RESULTS 2004
<b>Quantity:</b>	
Anticipated demand for tuition by eligible clients—38 000	34 147
<b>Quality:</b>	
The estimated 16 200 clients exiting the program are expected to have achieved an accredited award under the Certificates in Spoken and Written English (CSWE) as follows: <ul style="list-style-type: none"> <li>• 39 per cent—Certificate 1</li> <li>• 25 per cent—Certificate 2</li> <li>• 22 per cent—Certificate 3</li> <li>• 14 per cent—Record of Achievement</li> </ul>	14 506 clients exited the program and achieved the Certificate of Spoken and Written English (CSWE) or equivalents as follows: <ul style="list-style-type: none"> <li>• CSWE Certificate 1—37.0 per cent</li> <li>• CSWE Certificate 2—24.9 per cent</li> <li>• CSWE Certificate 3—19.1 per cent</li> <li>• CSWE Record of achievement—19.0 per cent.</li> </ul>

#### 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.

#### Description

The Government funds the delivery of the Adult Migrant English Program (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 \$118.3 million in 2004–05, is administered through 18 tuition contracts.

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.



The *Immigration Education Act 1971* provides all newly arrived migrants and humanitarian entrants who do not have functional English 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 (ISLPR), or completion of Level Three of the Certificates in Spoken and Written English (CSWE).

### Analysis of performance

AMEP clients are 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 2004 calendar year, AMEP clients totalled 34 147 compared with 33 009 in 2003.

The registration rate at 20 May 2005, for adult settlers who arrived in 2004 and who self-determined as in need of English tuition, was 72 per cent, the same as for 2003.

The registration rate for each key migration category was:

- refugee and humanitarian—87 per cent in 2004 (85 per cent in 2003)
- family—67 per cent in 2004 (66 per cent in 2003)
- skill—66 per cent in 2004 (63 per cent in 2003).

#### Retention

Retention rates in the 2004 calendar year increased slightly compared to the previous year. In 2004 AMEP clients stayed in the program, on average, for the following hours:

- refugee and humanitarian—428 hours (398 hours in 2003)
- family—364 hours (344 hours in 2003)
- skill—378 hours (360 hours in 2003).

#### Results

The CSWE is a competency-based national curriculum and assessment framework. It 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 Level 1 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 14 506 clients (compared with 14 245 clients in 2003) exiting the AMEP in 2004:

- 58.3 per cent entered at CSWE Level 1 (compared with 56.4 per cent in 2003) and on average achieved 13 competencies (same in 2003)
- 24.3 per cent (25.2 per cent in 2003) entered at CSWE Level 2 and on average achieved 14 competencies (same in 2003)
- 17.2 per cent (17.4 per cent in 2003) entered at CSWE Level 3 and on average achieved 9 competencies (same in 2003).

Certificates/statements of attainment were awarded to exiting AMEP clients as follows:

- level 1—37.0 per cent (36.8 per cent in 2003)
- level 2—24.9 per cent (26.1 per cent in 2003)
- level 3—19.1 per cent (22 per cent in 2003)
- Record of Achievement—19.0 per cent (15.1 per cent in 2003).

### The CSWE Curriculum

The current 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, for example torture and trauma, are offered up to 100 hours of English tuition in the Special Preparatory Program (SPP) prior to entering mainstream AMEP classes.

From 1 July 2004 humanitarian clients aged between 16 and 24 years with low levels of schooling (0–7 years) have had access to up to 400 hours tuition under the SPP. The hours of tuition available each week for SPP participants was increased from 15 to 20 hours for 16–24 year old clients assessed as having the capacity for more intensive delivery.

In 2004, there were 5145 humanitarian entrants who participated in the SPP compared with 4283 clients in 2003.

### 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 2004, there were 4475 clients who participated compared with 3606 clients in 2003.

### 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 2004–05, the Home Tutor Scheme Enhancement Program assisted with training volunteers and assisted 413 organisations nationwide engaged in providing community English language classes.

### Rural and regional delivery of the AMEP

Under contractual arrangements with AMEP service providers, clients living in rural and regional Australia must have the equivalent access to AMEP tuition to clients in metropolitan areas through any combination of classroom tuition, distance learning and home tutor scheme support.

Intensive tuition is available where classroom tuition is not available and where the client has low literacy skills or other issues so that distance learning is not appropriate. Intensive tuition may be provided to clients in groups of one to three people by a qualified teacher in a client's home or other suitable venue.

There has been a significant increase in expenditure on rural and regional intensive tuition in 2004–05. This is due to the change in focus of the current Refugee and Special Humanitarian Program (RSHP) towards Africa with clients who generally have higher needs, and because more humanitarian entrants are being settled in regional areas.

### AMEP Citizenship Course

*'Let's Participate: A Course in Australian Citizenship'* has been a feature of the AMEP since July 2001. Since then 19 480 AMEP clients have successfully completed the course. The number of clients who successfully completed the course in 2004–05 was 5884, compared with 5318 clients in 2003–04.

## 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 the department. This process identifies priority areas for research, then recommends to the department 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. Teachers and program managers incorporate practical and theoretical outcomes of research projects into the AMEP.

The AMEP Research Centre launched its Special Projects Research Program for 2005–06, focusing on meeting the needs of the large numbers of refugee and humanitarian entrants arriving from Africa and the Middle East. The overarching theme was 'Accommodating low/pre-literacy and interrupted education'.

A number of research projects were undertaken to maximise language and learning outcomes for AMEP clients. Research into teaching methods was completed and the material has been published for use by the profession. Research into the Home Tutor Scheme is at the final report stage and a revised language course focusing on Australian citizenship and the revision of materials for distance learning progressed significantly (with final results expected in 2005–06).

Major themes of other projects on which research papers were presented at the Annual AMEP Conference held in Darwin in July 2004 included:

- developing generic language skills for the workplace
- meeting the needs of youth and male learners
- teaching learners from the Horn of Africa
- strategies and tasks for teaching spoken language
- teaching characteristics of web pages that will support learning.

The fifth annual AMEP conference, held in Darwin in July 2004, was based around the theme of *Teaching for Learning*. The attendance by more than 160 delegates exceeded expectations. The conference provided a good opportunity for AMEP teachers and service providers to be informed of research findings concerning various aspects of second language teaching.

On 1 January 2005 the AMEP Research Centre and the department agreed under the terms of the initial contract to a further five-year option and extended the term of the agreement to the end of 2009. Previous objectives, services, and processes were revised to make them responsive to the government's needs.

## Outcome 2—Administered items

### GRANTS FOR LIVING IN HARMONY

Figure 75: Performance information—Grants for living in harmony

MEASURES	RESULTS
<b>Quantity:</b>	
102 service agreements.	115 service agreements.
<b>Quality:</b>	
95 per cent of service agreements meet agreed milestones.	92 per cent of grants met milestones set out in service agreements.

#### Objective

To provide funding to eligible community organisations to address local issues affecting community harmony.

#### Description

The department managed 115 grants whose objectives were to foster community harmony by addressing local issues at the local level. At the end of the financial year there were 67 grants on hand, many of which were in the final stages of grant administration.

#### Analysis of performance

On 13 August 2004, the then Minister for Citizenship and Multicultural Affairs, the Hon. Gary Hardgrave MP, awarded 42 Living in Harmony community grants from a field of 529 applications. These grants reflected the priority areas for the 2004 grants round: Indigenous Australians; Australian women; older Australians; and Australians in rural and regional areas.

The 2005 Living in Harmony community grants round was opened for applications on 7 May 2005 by the then Minister for Citizenship and Multicultural Affairs, the Hon. Peter McGauran MP. The number of applications received for this round increased from 529 to 642, representing a 21 per cent rise from the previous year.

Of the 42 grants awarded in 2004–05, one was closed at the request of the grant recipient without substantial action. The remaining grants are achieving high-quality outcomes with several close to completion.

Of the 44 grants awarded in 2003–04, 26 have been completed with the remainder being finalised and acquitted. The department expects to acquit the six remaining grants from earlier funding years by the end of 2005–06 financial year.

## Outcome 2—Administered items

### GRANTS FOR MIGRANT COMMUNITY SERVICES

Figure 76: Performance information—Grants for migrant community services

MEASURES	RESULTS
<b>Quantity:</b>	
Core funding to MRC/MSA grants—28.	28
364 Work Programs funded.	364 Work Programs funded for Community Settlement Services Scheme (CSSS) grants.
<b>Quality:</b>	
Service Agreements and Work Programs fulfilled and/or specific breaches addressed.	Service Agreements and Work Programs satisfactorily delivered for all MRC/MSA and CSSS grants. 48 CSSS grants ceased on 30 September 2004, 20 on 31 December 2004 and 197 on 30 June 2005.

#### Objective

To ensure Service Agreements and Work Programs are satisfactorily delivered for all Migrant Resource Centre (MRC)/Migrant Service Agency (MSA) and Community Settlement Services Scheme (CSSS) grants.

#### Description

The Australian Government provides funding for grants to community-based organisations under the CSSS and core funding to the national network of MRCs and MSAs to deliver settlement services.

The settlement services target group is defined as:

- permanent residents who have arrived in the previous five years as humanitarian entrants and family stream migrants with low English proficiency
- communities that require assistance to develop their capacity to organise, plan and advocate for services to meet their own needs and which are receiving significant numbers of new arrivals who are in the settlement services target group.

The CSSS aims to provide settlement services to individuals and communities which:

- deliver settlement information and referral services to individuals and groups

- build community capacity by helping communities to be self-reliant in planning, organising and working together to advocate for their needs to be met
- promote/represent individual client needs to service providers and build strong relationships with local settlement and mainstream agencies.

The CSSS also gives priority within the settlement services target group to projects providing assistance to refugee and special humanitarian program entrants, small and emerging communities and to migrants in regional areas.

CSSS funding priorities seek to identify areas of most pressing settlement need and to ensure that projects selected for funding complement other available services. Through the CSSS annual funding cycle, the department is able to respond to changes in high priority needs that emerge due to the changing composition of the migrant intake and settlement patterns.

In 2004–05, a total of 364 CSSS grants were funded, including 229 new and 135 ongoing multi-year grants.

One function of CSSS funded organisations is to establish linkages with mainstream services to facilitate direct and independent access to these services for their clients. To the extent that organisations succeed in drawing mainstream attention to specific needs, the grants contribute to achieving the access and equity principles of Output 2.4 Promoting the Benefits of Cultural Diversity.

Core funding to MRC/MSAs provides for administration and costs of the organisations and supports a range of services to clients. The 28 MRC/MSAs vary in terms of their potential client base, their position in the broader community and the breadth of their service delivery activities. They generally provide similar services to CSSS funded organisations such as direct client services, developing community capacity-building skills and undertaking service planning and development. As established organisations, MRC/MSAs may also provide a mentoring role and help smaller organisations to manage CSSS grants.

Most MRC/MSAs also manage a number of their own CSSS grants. In 2004–05, MRC/MSAs managed 93 of 364 CSSS grants, accounting for 29 per cent of funds provided in the CSSS round. Most MRC/MSAs have a diverse funding base, managing grants from other Australian Government agencies, state and territory governments and local governments. They actively participate in settlement planning and networking 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 on the progress of the Work Program, financial details and statistical data on client contacts. The service delivery and reporting obligations are detailed in the Service Agreement.



Departmental staff responsible for managing MRC/MSA and CSSS funding hold regular consultations with funded organisations to assist them in meeting their performance requirements.

### Analysis of Performance

A total of \$27.44 million was provided for migrant community services grants in 2004–05 to support the settlement needs of migrants. \$19.42 million was directed to CSSS, \$8.02 million to core funding to 28 MRC/MSAs, and an additional \$150 000 was allocated for training of funded organisations.

In 2004–05, the department managed a total of 392 Service Agreements with organisations funded to provide settlement services under CSSS and MRC/MSA funding. Of these, 28 grants were in the form of core funding to MRC/MSAs and 364 were for CSSS projects, including 229 grants awarded in the 2004–05 funding round.

During 2004–05, seven payments to organisations were delayed due to lack of progress in completing performance reports or failure to provide financial information relating to their grant. This is a slight improvement on 2003–04 when 10 payments were delayed.

The 28 MRC/MSAs that received core funding in 2004–05 satisfactorily delivered Work Programs and met reporting requirements. A standard Work Program for MRCs/MSAs was developed in consultation with funded agencies in 2003–04. It was included in the online application and formed part of their Service Agreement for 2004–05.

In the 2004–05 Budget it was announced that \$4.9 million had been allocated over four years to provide additional funding for CSSS grants in rural and regional areas; \$688 525 was allocated to 2004–05. The additional funding supplemented the implementation of recommendations of the *Report of the Review of Settlement Services of Migrants and Humanitarian Entrants* (2003) (the Review), to assist humanitarian entrants to settle in rural and regional Australia, where community support can be enhanced and developed through the provision of new or increased grants funding.

The Review also recommended the development of a new grants program that combines CSSS funding and MRC/MSA core funding. This new program, to be called the Settlement Grants Program (SGP), will commence on 1 July 2006 and replace the current CSSS and MRC/MSA programs.

A discussion paper on the CGP was released for community comment on 6 April 2005. Over 400 stakeholders attended community consultations that were held in every capital city in April and May 2005, and more than 100 written submissions were received. Input from the community consultations and written submissions will inform further development of the SGP.

## Outcome 2—Administered items

### MULTICULTURAL AFFAIRS (GRANT TO FEDERATION OF ETHNIC COMMUNITIES' COUNCILS OF AUSTRALIA (FECCA))

Figure 77: Performance information—Grants to FECCA

MEASURES	RESULTS
<b>Quantity:</b>	
1 grant.	1 grant of \$360 000 to FECCA.
<b>Quality:</b>	
A high proportion of agreed performance indicators met.	FECCA has substantially met the priority objectives under its work plan, undertaking a number of worthwhile activities.

#### Objective

To enable FECCA to provide advice to the Government on the views and needs of ethnic communities in Australia.

#### Description

The Government provided a grant of \$360 000 to FECCA in 2004–05 to help meet this objective.

#### Analysis of performance

FECCA is continuing to work positively towards achieving tangible outcomes in line with its work plan. It has substantially met the priority objectives under the plan; for example, significant efforts to promote the benefits of cultural diversity to the broader community; an advocacy role on behalf of its constituency; provision of leadership and support to communities; and a range of partnerships that allow the organisation to work more closely with lead agencies to progress mutual objectives.

FECCA's achievements during 2004–05 included:

- publishing three editions of the magazine *Australian Mosaic* and issuing 28 media releases
- working closely with many organisations to promote multiculturalism and to deliver better outcomes for communities

- preparing 14 major submissions and participating on a range of advisory committees
- working with Special Broadcasting Service Corporation to conduct a national competition for student journalists, designed to promote cultural diversity values among the new generation of journalists
- delivering the international conference Transformations: Culture and the Environment in Human Development, in February 2005, in partnership with The United Nations Educational, Scientific and Cultural Organisation, the Australian National University, the Planning Institute of Australia and the Australian Local Government Association
- holding a national congress hosted by the Illawarra Ethnic Communities' Council that focused on the needs of diverse communities in rural and regional Australia.

## Outcome 2—Administered items

### NATIONAL ACCREDITATION AUTHORITY FOR TRANSLATORS AND INTERPRETERS LTD (NAATI)—CONTRIBUTION

Figure 78: Performance information—NAATI Contribution

MEASURES	RESULTS
<b>Quantity:</b>	
Contribution paid as specified in the Funding Agreement between the National Accreditation Authority for Translators and Interpreters Ltd (NAATI) and the Australian, state and territory governments.	Contribution paid.
<b>Quality:</b>	
Fulfilment of agreement requirements or breaches addressed.	Agreement requirements fulfilled.

#### 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 Australian Government contributes towards 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.

In 2004–05, the contribution was \$483 000 in accordance with the Funding Agreement 2003–06.

Payment to NAATI is based on a funding agreement that 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.

## Analysis of performance

NAATI continued to deliver services in accordance with their objectives and responded to the changing needs and demography of Australian society. Results achieved against outputs set out in the Funding Agreement for 2003–04 and 2004–05 were positive and contribute significantly to maintaining high national standards in the translating and interpreting field:

- Number of tests required to be delivered in 2003–05: 4600
  - NAATI conducted a total of 7840 language tests, which included translating and interpreting tests within the annual program, special on-demand, language aide, and overseas tests. This resulted in an additional 2864 accredited translators and interpreters joining the existing pool. Tests were conducted in 8 metropolitan cities and 12 regional locations
- Number of languages required to be tested: 30
  - NAATI conducted tests in 60 languages
- Increase in translating and interpreting courses approved by NAATI
  - NAATI approved 37 courses.

## Outcome 2—Administered items

### ASSISTANCE FOR FORMER CHILD MIGRANTS

Figure 79: Performance information—Assistance for former child migrants

MEASURES	RESULTS
<b>Quantity:</b>	
Two contracts with community-based organisations administered.	Two contracts administered.
<b>Quality:</b>	
Contracts requirements met and/or specific breaches.	Nil breaches.
Level of satisfaction of eligible clients with service provided.	Satisfactory service level met.

### Objective

To provide practical support and assistance to those former child migrants who arrived in Australia post World War II to:

- undertake reunion visits to Britain and Malta
- trace family members and receive counselling for reunion visits
- commemorate former child migrants in the Australian community through the establishment of memorials in each state.

### Description

This output component began in 2002–03 and provides three years of funding assistance for former child migrants. Funding of \$1 million per year was provided for the operation of a Travel Fund to assist former child migrants who wish to undertake reunion visits to family in Britain or Malta. Funding of \$125 000 per year was provided for tracing and counselling services to former child migrants. An amount of \$100 000 was provided to help state governments erect memorials to former child migrants who settled in their state. The memorial funds are distributed equitably across all participating states.

### Analysis of performance

International Social Services (ISS) administers the Travel Fund, liaises with former child migrants to assess eligibility and makes all travel arrangements.

In 2004–05 ISS approved 195 applications and 12 applications are pending. Since 2002–03, a total of 759 applications have been approved and 603 former child migrants have undertaken a reunion visit. The Travel Fund allows for approved applicants to complete their travel by 31 August 2005. It is expected a further 91 travellers will undertake a reunion visit by this date.

Due to the high level of demand on the Travel Fund in 2004–05, an additional \$2.5 million was made available (amounting to a total of \$3.5 million in 2004–05). Total expenditure at 30 June 2005 for the Travel Fund was approximately \$3 million. This consisted of travel expenses and allowances for the Travel Fund and for ISS administration fees.

During 2004–05, the Child Migrants Trust provided tracing and counselling services to 851 clients. Ninety-one were new clients in 2004–05 and 70 undertook post-family reunion counselling. Total expenditure at 30 June 2005 was \$125 000.

The total expenditure for memorials in 2004–05 was \$68 115. Plans are progressing for dedication ceremonies of state memorials for New South Wales, Victoria, South Australia and Tasmania.

## Outcome 2—Administered items

### WELFARE OF HUMANITARIAN MINORS WITHOUT PARENTS IN AUSTRALIA

Figure 80: Performance information—Welfare of humanitarian minors without parents in Australia

MEASURES	RESULTS
<b>Quantity:</b>	
Offshore—small number on advice from UNHCR	566 offshore entrants in the Unaccompanied Humanitarian Minors (UHM) program at 30 June 2005.
Onshore—numbers assessed as in need of protection.	17 temporary protection and nine permanent protection visa holders in the UHM program at 30 June 2005.
<b>Quality:</b>	
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 and monitor welfare supervision, support and settlement assistance to Unaccompanied Humanitarian Minors (UHMs) under Australian and state government cost-share agreements.

#### Description

The UHM program is available to unaccompanied minors (under the age of 18 years) who have been granted visas under the Refugee and Humanitarian Program and who do not have a parent to care for them in Australia.

Some UHMs have a relative over the age of 21 to provide care for them in Australia. Those who do not, become wards of the Minister for Immigration and Multicultural and Indigenous Affairs under the *Immigration (Guardianship of Children) Act 1946* (IGOC Act).

The Minister's functions as guardian under the IGOC Act are delegated to officers of the child welfare authority in each state and territory. State welfare authorities



provide welfare supervision and support to each UHM through the UHM program. The UHM program is funded through cost share agreements between the Australian and state governments.

### **Analysis of performance**

In 2004–05, 756 UHMs were assisted under the program. During this period 417 minors entered the UHM program and 164 minors left the program.

In 2004–05, the total cost of the UHM program was \$1.2 million, which includes funding to state authorities through cost-share agreements as well as maintenance allowance payments to wards of the Minister.

As at 30 June 2005, there were 592 UHMs in the UHM program, 566 of whom arrived under the offshore component of the Refugee and Humanitarian Program and another 26 who were granted temporary or permanent protection Visas onshore. This represents an increase of 253 UHMs (or 75 per cent) over the same period in the previous year, mainly due to the inclusion of UHMs in extended families arriving from Africa. This increase has offset the declining numbers of UHMs on Protection Visas commensurate with the decline in TPV grants and the departure of each UHM from the program as they reach 18 years of age.

## Review by the Associate Secretary



***On 1 July 2004 the department's Indigenous responsibilities changed substantially. A special office, the Office of Indigenous Policy Coordination (OIPC), was set up to coordinate and drive the Government's 'new arrangements in Indigenous affairs'.***

The new arrangements were announced by the Prime Minister and the Minister for Immigration and Multicultural and Indigenous Affairs (the Minister) on 15 April 2004, and took effect from 1 July 2004.

While ensuring continuity of services and programs to Indigenous people, they also initiated profound changes in the Government's relationship to Indigenous people and in government methodologies, at both the national and the regional/local levels.

On 25 June 2004 the new arrangements were buttressed through the endorsement by the Council of Australian Governments (COAG) of a *National Framework of Principles for Delivering Services to Indigenous Australians*. Endorsement of this framework consolidated the new era of cooperative federalism in Indigenous affairs that had been developing since 2000.

Taking forward what our Minister often describes as a 'quiet revolution in Indigenous affairs' has been a significant challenge for OIPC, which I believe OIPC is meeting. In our first year we established a new entity, including new staffing for much of the leadership team of OIPC, established credibility with stakeholders, and set important directions for the future which are now being realised.

### **ABOUT THE NEW ARRANGEMENTS**

In summary, the new arrangements involved:

- the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) and the associated service delivery agency, Aboriginal and Torres Strait Islander Services (ATSIS)
- the transfer of ATSIC-ATSIS programs (representing over a third of the Australian Government's Indigenous-specific expenditure) to the agencies managing similar programs for all Australians, to be managed under a new whole-of-government approach that also covers mainstream services to Indigenous people
- the establishment of a Ministerial Taskforce (MTF) on Indigenous Affairs to oversee this approach and set the Government's national Indigenous priorities, with support from a Secretaries' Group on Indigenous Affairs and advised by a National Indigenous Council (NIC)

- partnerships with the states and territories through bilateral agreements consistent with COAG's 2004 National Framework
- the establishment of a network of 30 Indigenous Coordination Centres (ICCs) in metropolitan, regional and remote Australia to manage most of the Australian Government's Indigenous programs and, most importantly, to broker innovative responses to local Indigenous needs through Shared Responsibility Agreements (SRAs) and Regional Partnership Agreements (RPAs).

Profound changes therefore affect not just the machinery of government, but the methodology of government and the ways government engages with Indigenous people.

Through ICCs, the Australian Government is now dealing directly with Indigenous communities under the principle of 'shared responsibility', acknowledging that both government and Indigenous people must work together to overcome Indigenous disadvantage. SRAs are one important tool to achieve this. SRAs are agreements between the Government and Indigenous families and communities, to provide a discretionary benefit in return for community obligations. These benefits may take the form of extra services, capital or infrastructure, over and above essential services or basic entitlements. Through SRAs, more flexible and coordinated funding is being made to respond to community priorities and needs, as articulated by communities.

Shared responsibility is also being pursued at the regional level, through RPAs and through the bilateral agreements being developed with state and territory governments to clarify roles and responsibilities, to close gaps in service delivery and to overcome duplication.

The new approach arose from a reassessment in response to the seemingly intractable disadvantage of Indigenous people. Despite significant government expenditure over many years, Indigenous people remain far more likely than other Australians to be unemployed, poorly educated, inadequately housed and in poor health. This was only recently reconfirmed with the (July 2005) publication of the second of a series of reports by the Steering Committee for the Review of Government Service Provision, *Overcoming Indigenous Disadvantage: Key Indicators*, examining data from periods preceding the new arrangements.

The new arrangements are designed to tackle systemic barriers that have contributed to this situation. In particular, the effectiveness of Indigenous program funding has often been undermined by a lack of coordination among the various agencies administering it; confusion over roles and responsibilities of different levels of government; the limitations of short-term programs with inflexible guidelines; and poor management on the part of the organisations or bodies serving as 'gatekeepers' between government and Indigenous communities around Australia. Overcoming weaknesses in the delivery of mainstream services to Indigenous people is also a key issue, including the provision of essential services to remote Indigenous communities.

Over recent years COAG has been trialling more flexible and coordinated responses to Indigenous needs at eight trial sites. The new arrangements draw on the lessons being learnt from these trials and the results of inquiries and research.

### Role of OIPC

OIPC has a central role in the new arrangements. It was set up to coordinate and drive whole-of-government innovative policy development and service delivery across the Australian Government, and to be the primary source of advice on Indigenous issues to the Minister for Immigration and Multicultural and Indigenous Affairs.

OIPC's specific responsibilities arising from the new arrangements include:

- supporting the work of the MTF, Secretaries' Group and NIC
- overseeing policy development and implementation of SRAs at the local/ community level and RPAs at the regional level
- the negotiation of bilateral agreements between the Australian Government and the states and territories
- facilitating the development of a whole-of-government Indigenous Budget
- monitoring, evaluating and reporting on the performance of programs across government
- managing and supplying common services to the ICC network
- communicating Government policy directions to the Indigenous and general communities.

OIPC also has limited but significant program responsibilities, most notably:

- administration of Commonwealth land rights legislation and the Professional Services to Native Title Claimants Program
- supporting SRA and RPA development
- implementation of the Government's initiatives on Indigenous women's leadership
- assisting the repatriation of Indigenous human remains held in overseas collections
- Reconciliation, including through continued development of Reconciliation Place in Canberra
- administration of the *Aboriginal Councils and Associations Act 1976* through the Office of the Registrar of Aboriginal Corporations. The Registrar is an independent statutory officer appointed by the Minister.

## Progress with the new arrangements

While the reform process in Indigenous affairs is being progressively extended, important steps have been taken in 2004–05 to coordinate Australian Government funding, work with the states and territories, and to promote the principle of shared responsibility among Indigenous communities.

The mechanics of implementing the new arrangements are described under Outcomes 3 and 5 of this report. I would like to develop this review by discussing the two main principles underlying the arrangements. These are:

- whole-of-government coordination
- real engagement with Indigenous people.

## COORDINATION

### At the national level

At the national level coordination is being led by the MTF, comprising all Ministers with Indigenous responsibilities, and the Secretaries' Group on Indigenous Affairs, comprising all Secretaries with significant Indigenous program responsibilities. OIPC supports the work of these groups, and assisted the MTF to develop its charter and priorities. The three national priorities set by the MTF, refined by input from the NIC, are:

- early childhood intervention, a key focus of which will be improved mental and physical health, and in particular primary health, and early educational outcomes
- safer communities (which includes issues of authority, law and order, but necessarily also focuses on dealing with issues of governance to ensure that communities are functional and effective)
- building Indigenous wealth, employment and entrepreneurial culture, as these are integral to boosting economic development and reducing poverty and dependence on passive welfare.

These three priorities guided an historic Budget development process for 2005, whereby all new policy proposals from Ministers on Indigenous issues were considered together, and strategic decisions taken on allocating funds to tackle the MTF's priorities and minimise duplication and overlap. Overseen by OIPC, the single Budget process gives the Government the flexibility to reallocate funds across the total Indigenous 'pool' as well as deciding where new funding should be directed, including to measures that have demonstrated their worth. Drawing on mainstream resources and providing guidance on mainstream initiatives with a significant impact on Indigenous people is also part of this historic approach to budgeting.

## At the regional and local level

At the regional level, coordination of Australian Government programs is the responsibility of ICCs, which in rural and remote areas are multi-agency units. These programs used a common Program Funding Agreement (PFA) in 2004–05 and OIPC oversaw refinements to the PFA for the forthcoming financial year, in collaboration with managing agencies. Program payments were managed within a common system, administered by OIPC.

OIPC also initiated a project to develop an Indigenous information management system to support the long-term policy and reporting requirements of ‘joined up’ government. The Australian Government Indigenous Management Information System (AGIMIS) will collect data and provide reports to monitor government investment, initially on Indigenous-specific activity and potentially on mainstream services accessed by Indigenous people.

Though programs still exist, we are progressively moving to a situation where funds will be applied flexibly and strategically in response to need through the negotiation of SRAs. OIPC oversaw the national roll out of SRAs in 2004–05. With a Government target of 50 SRAs at the end of the first year of the new arrangements, OIPC, working with ICCs and Indigenous communities achieved 76 SRAs involving 64 communities.

The Government is also keen to develop RPAs to tailor government interventions across a whole region and progress was made in negotiating a number of RPAs during the year.

## Agreements with the States and Territories

For whole-of-government to mean what it says in a field like Indigenous affairs, then state/territory government programs and services must be coordinated with investment provided by the Australian Government.

The principal means of pursuing inter-governmental coordination has been the negotiation of bilateral agreements under COAG’s National Framework of Service Delivery Principles. The first agreement, with the Northern Territory, was signed in April 2005 by the Prime Minister and the NT Chief Minister. The two governments agreed on five priority action areas and the first schedule to the agreement sets out a number of initial joint areas of action—housing, the arts industry and regional government—in accordance with these priorities. By the end of 2004–05, agreements were close to finalisation with a number of other states.

In South Australia there have also been important developments in inter-governmental coordination involving the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in the state’s far north. The state and Australian Governments are sponsoring a new peak body, Tjungungku Kuranyukutu Palyantjaku (TKP), comprising government representatives and representatives of regional Indigenous organisations.

The next step will be the development of an RPA, and the negotiation of SRAs with communities on the APY Lands.

In addition, some states have seen merit in co-locating their staff with ICCs and in June 2005 it was announced that staff of the New South Wales Department of Aboriginal Affairs would join selected ICCs in the coming year.

### **Development coordinators**

An important development in relation to the Northern Territory and South Australia is the placement of ‘development/service coordinators’ in historically under-served areas of remote Australia. Under the NT bilateral agreement, both governments committed to fund Development Coordinators in the three established Regional Authority areas (Indigenous local government units) and in six proposed areas. A cross-government agreement for the APY Lands is also seeing the placement of development and service coordinators there.

The coordinators will be directly engaged in community consultation, coordinating service delivery and developing community capacity. This on-the-ground presence will help to ensure that government investment is effective, and help bridge the gap between government service providers and the community. As this model becomes fully developed and operational, its utility in other remote areas will be considered.

### **Harnessing the mainstream**

The new arrangements are also actively addressing the issue of ‘mainstream’ programs—that is, programs and services delivered by governments for all Australians. Historically, Indigenous people have been low users of mainstream programs, for a number of reasons including barriers to access. As a result Indigenous-specific programs have had to do too much work—many have substituted for mainstream programs rather than providing the extra resources required to respond to the special needs of Indigenous people.

In designing whole-of-government service delivery in the new environment, it is therefore critical that the performance of mainstream programs is also improved. This principle underlies our work with state/territory governments which are responsible for many mainstream services.

The single Indigenous Budget process exemplified the benefits of the new approach where mainstream agencies were able to identify extra funds for Indigenous Australians from within their own allocations in the 2005–06 Budget. More than half of the over \$500 million in new and extended funding over four years was redirected from mainstream agencies into Indigenous-specific funding.

Though progress has been made, a great deal more needs to be done to ensure that mainstream programs are used to meet Indigenous needs and are accessible to Indigenous people.

## ENGAGING WITH INDIGENOUS PEOPLE

In March 2005, the new arrangements saw the abolition of ATSIC, a legislated Indigenous representative structure, following an extensive Government review of that organisation. The Regional Councils established by the ATSIC Act continued until 30 June 2005.

The Government has moved away from imposed structures in favour of more direct engagement at local and regional levels, including through SRAs and RPAs, working with bodies established by Indigenous people themselves.

At the national level, the NIC was established to advise the MTF. This is not a representative but an expert group.

### SRAs

The 76 SRAs signed at 30 June 2005 embody a variety of solutions to the problems and needs of the Indigenous communities making the agreements. The focus this year has been on simple, single-issue SRAs that are meaningful to communities and provide examples of what SRAs can achieve. Over time, SRAs will become more extensive, building towards a community's long-term vision for the future.

### Red tape removal

Another focus of our efforts in 2004–05 has been to begin identifying unwarranted 'red tape' and blockages in funding and other relationships between government and Indigenous communities. A consultancy was let for an in-depth analysis of funding and accountability arrangements and the impact of doing business with government in 2–3 communities nationally, supplemented by additional information collection and analysis in 15–20 communities.

### Regional representation

In relation to regional representation, the Government does not want to impose structures, but work with the arrangements that are devised locally or regionally and accepted by a majority of Indigenous people. This is likely to produce a wide variety of representative models, which is entirely appropriate given the diversity of Indigenous circumstances.

During 2004–05 many Regional Councils and other Indigenous organisations worked actively with communities to identify new representative and engagement arrangements. A considerable number have already finalised their proposals and others are in the pipeline.

In the Northern Territory, the territory government has indicated that it would like to proceed through the creation of strong 'regional authorities' (based on existing community councils), which will be the key mechanism for guiding service delivery



and representation at the regional level. This strategy is described in a schedule to the Australian Government's bilateral agreement with the Territory.

Negotiations for RPAs are well advanced in several areas, and the Indigenous arrangements that are emerging at a regional level provide a mechanism for beginning discussions on further RPAs.

RPAs provide the basis for recognising and dealing effectively with the range of bodies that will evolve, including resolving the nature of resourcing to support their engagement with us. This is something we aim to settle in conjunction with state and territory governments, given the desirability of a joint approach within each jurisdiction to our regional engagement arrangements with Indigenous people.

### **Reform of the Aboriginal Councils and Associations Act**

The legislation introduced in June 2005 to create a new Corporations (Aboriginal and Torres Strait Islander) Act is another historic event, and the culmination of years of work on the part of the Registrar, Laura Beacroft, and her office.

The original Act legislated in the 1970s provided a simple means of incorporation for Indigenous groups so that they could receive grant funding from government or hold title to land. An independent review of the Act and extensive consultation in the wake of the review concluded that the Act should be made more flexible and provide a better means of strengthening the governance of the 2600 or so Indigenous organisations now incorporated under the Act.

The Corporations Bill is an important plank in the Government's reforms, since it will help to ensure a functioning Indigenous community sector providing better services to clients and better results.

Key features of the legislation include:

- making directors and managers responsible for their decisions as they would be under mainstream incorporation legislation
- establishment of a new public register for disqualified directors
- a rolling program of governance audits
- more rigorous reporting requirements for larger corporations, and reduced requirements for small to medium corporations
- more flexibility to develop rules and constitutions to match local circumstances and cultural requirements.

The new legislation is planned to commence on 1 July 2006 allowing time for corporations to make the transition.

This reform together with the new arrangements for Indigenous representation are part of the same broad consensus: that governments cannot effectively impose structures on Indigenous people and must be more attentive to local needs and circumstances.

## LOOKING FORWARD

While OIPC can be proud of its achievements in many areas, over the coming year we expect to see progress broadened, both within our own sphere and in conjunction with other levels of government.

Wider systemic reforms will be progressed through the MTF and Secretaries' Group in a number of key areas:

- ensuring that Indigenous people have better access to and usage of mainstream programs and funding, including greater accountability of service providers
- ensuring that programs (both Indigenous-specific and mainstream) are flexible enough at the local level to support the evolution to more comprehensive SRA work
- looking at some of the constraints facing discrete Indigenous communities in particular, where access to essential services is patchy and where communities often rely heavily on Indigenous-specific programs such as Community Development Employment Projects (CDEP) and the Community Housing and Infrastructure Program for basic services generally enjoyed by other Australians
- clarifying roles and responsibilities with the states and territories and ensuring that each plays their part in achieving better outcomes.

Priorities for OIPC will include:

- implementing current SRAs and expanding the coverage and scope of SRAs
- working at the regional level to develop RPAs with Indigenous groups, including involvement by states and territories
- finalising bilateral agreements, and coordinating implementation of the commitments entered into with states and territories
- coordinating the next Single Indigenous Budget Submission
- consolidating OIPC's reporting and evaluation function, which will become increasingly important as the new arrangements develop. In the coming year we will be evaluating the work undertaken at the COAG trial sites and through the first round of SRAs.

OIPC has made a good start, but a great deal remains to be done before we will reap results in the form of significantly improved outcomes for Indigenous people—the long-term aim of the new arrangements in Indigenous affairs.

Wayne Gibbons PSM  
Associate Secretary

## Indigenous outcomes

The department had three Indigenous outcomes in 2004–05. This is a result of the transfer into the department at Budget 2004–05 of estimates formerly administered by the Aboriginal and Torres Strait Islander Commission (ATSIC) and Aboriginal and Torres Strait Islander Services (ATSIS), as part of the measure: Indigenous Australians—Better Service Delivery.

This measure provided for the abolition of ATSIC and ATSIS, and the transfer of programs administered by them to mainstream agencies from 1 July 2004.

In most cases, receiving agencies took over management of relevant ATSIC–ATSIS programs on that date. There were, however, some delays awaiting passage of the ATSIC Amendment Bill. The new *Aboriginal and Torres Strait Islander Act 2005* took effect from 24 March 2005.

Related funding was transferred to the receiving agencies in the Additional Estimates process.

Because of this process, we will report only on those Indigenous outputs in the Portfolio Budget Statements that are relevant to our continuing responsibilities.

## Outcome 3

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

On 1 July 2004 the OIPC was established within the department. It is responsible for wide-ranging functions as a consequence of the new arrangements in Indigenous affairs and absorbed functions of two former departmental units—the Office of Aboriginal and Torres Strait Islander Affairs (OATSIA) and the Indigenous Communities Coordination Taskforce (ICCT).

The new arrangements, announced on 15 April 2004, involved:

- the abolition of portfolio agencies, ATSIC and ATSI, achieved during the year under review
- the transfer of programs formerly administered by ATSIC–ATSI to relevant mainstream government agencies (including the department) under a ‘whole-of-government’ approach
- the establishment of top-level structures to oversee the new approach: the MTF, supported by a Secretaries’ Group on Indigenous Affairs and advised by a National Indigenous Council (NIC)
- the establishment of 30 Indigenous Coordination Centres (ICCs) in metropolitan, regional and remote Australia charged with brokering innovative coordinated responses to local Indigenous needs and priorities.

## Outcome 3—Effectiveness measures and results

Figure 81: Outcome 3—Effectiveness measures and results

MEASURES	RESULTS
<b>Provide strategic coordination and leadership on policies, programs and services to reduce disadvantage and promote Indigenous wellbeing</b>	
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.	Feedback from the Minister's office indicated that the Minister and her office were very satisfied with the achievement of key tasks involved in implementing the new arrangements in Indigenous affairs, including: the transfer of functions to other agencies and establishment of a network of Indigenous Coordination Centres; support for the Ministerial Taskforce on Indigenous Affairs and National Indigenous Council; and the first Single Indigenous Budget Submission.
<b>Provide strategic coordination of portfolio legislation, appointments and budget priorities for the Indigenous agencies in the portfolio</b>	
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.	Feedback from the Minister's office indicated that the Minister and her office were very satisfied with how the heavy and complex legislative load was managed through the year—e.g. to support the abolition of ATSIC and the preparation of a new Indigenous Corporations Bill.
<b>Advising and instructing on certain litigation brought against the Commonwealth</b>	
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.	Feedback from the Minister's office indicated that Minister and her office were very satisfied with the management of the extensive amount of litigation on a range of complex issues during the year, including protection of the Australian Government's interests.
<b>Provide policy advice to the Minister, including briefing and correspondence, on issues relevant to Indigenous people</b>	
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.	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, but that in some areas the presentation of briefing and correspondence could be improved (e.g. Plain English usage).

## Output 3.1—Indigenous policy

Figure 82: Performance information—Indigenous policy

MEASURES	RESULTS
<b>Quality:</b>	
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.	Feedback from the Minister's office indicated that the Minister and her office were satisfied with the achievement of key tasks, including a framework for improved accountability and transparency of Indigenous programs and progress on an Australian Government Indigenous Management Information System.

### Objectives

To:

- provide advice to government on Indigenous policy issues
- coordinate innovative Indigenous policy development with external agencies and state and territory governments
- manage the conduct of litigation in those cases where the role of the Australian Government in Indigenous affairs is involved.

### Description

The Office of Indigenous Policy (OIPC) has a central role in the Australian Government's new arrangements in Indigenous affairs. Its core functions are:

- to be the primary source of advice on Indigenous issues to the Minister for Immigration and Multicultural and Indigenous Affairs (the Minister)
- to coordinate and drive whole-of-government innovative policy development and service delivery across the Australian Government
- to develop new ways of engaging directly with Indigenous Australians at the regional and local level, including through:
  - Shared Responsibility Agreements (SRAs) at community/clan/family level
  - Regional Partnership Agreements (RPAs) (where there is local interest) to customise and shape government interventions in a region
- to broker relations with state and territory governments on Indigenous issues
- to evaluate and report on the performance of government programs and services for Indigenous people to inform policy review and development

- to communicate Australian Government policy directions to Indigenous people and the community generally
- to manage a number of Indigenous programs and transitional services arising from the abolition of ATSIC–ATSIS.

### Analysis of performance

In its first year of operation OIPC made significant progress in laying the basis of the new arrangements in Indigenous affairs, while supporting the Minister, the MTF, the NIC and the Secretaries' Group on Indigenous Affairs.

#### Ministerial Taskforce on Indigenous Affairs (MTF)

OIPC provides secretariat support to the MTF, which sets national priorities for Indigenous policy. The MTF met for the first time on 16 June 2004, and on three further occasions in 2004–05. At its first meeting, the MTF agreed to a 20 to 30 year vision for Indigenous Australians, and identified three priority areas for national attention. On advice from the NIC, these priorities have been refined to:

- early childhood intervention, a key focus of which will be improved mental and physical health, and in particular primary health, and early educational outcomes
- safer communities (which includes issues of authority, law and order, but necessarily also focuses on dealing with issues of governance to ensure that communities are functional and effective)
- building Indigenous wealth, employment and entrepreneurial culture, as these are integral to boosting economic development and reducing poverty and dependence on passive welfare.

These priorities are now guiding government policy development and investment in Indigenous affairs.

#### National Indigenous Council

The National Indigenous Council (NIC), established on 6 November 2004, is an appointed non-statutory advisory body to government through the MTF, providing expert advice on policy, program and service-delivery issues affecting Aboriginal people and Torres Strait Islanders. The membership of the NIC at June 2005 is set out in Appendix 1 of this report. The NIC met three times during 2004–05, meeting jointly with the MTF at its December 2004 and June 2005 meetings.

The NIC has had input into refining the MTF's priorities, and has developed a set of principles on Indigenous land tenure as a contribution to public discussion of mechanisms to improve economic outcomes for Indigenous Australians from the use of Indigenous-owned land.

### Secretaries' Group on Indigenous Affairs

The Secretaries' Group on Indigenous Affairs comprises the heads of Australian Government departments responsible for administering the Australian Government's Indigenous programs, both former ATSIC–ATSIS programs and other Indigenous programs. It is chaired by the Secretary of the Department of the Prime Minister and Cabinet, and met regularly in 2004–05.

The Secretaries' Group provides advice and support to the MTF; consults with the NIC on policy proposals and directions and provides information to the NIC on the work of individual agencies as required; leads coordination across government agencies; and from 2005 will prepare a public annual report on the outcomes of Indigenous programs. Its work is focused on the priorities set by the MTF.

The Secretaries and their respective departments work closely with Indigenous communities at the Council of Australian Governments (COAG) trial sites, each of which is led by a particular portfolio. For further information on these trials, see the Outcome 3 Administered Item: Cross Portfolio Indigenous Flexible Funding Arrangements. The Secretaries' Group oversees the engagement now occurring with Indigenous communities and regions under the government's new arrangements.

### Budget 2005

For the 2005–06 Budget, OIPC facilitated a collaborative Budget process whereby the development of proposals for change and new investment in Indigenous affairs was managed through a single Indigenous Budget submission. This enabled priorities to be considered across portfolios. The 2005–06 Budget resulted in extended and additional Australian Government Indigenous expenditure of more than half a billion dollars over the next four years, more than half of which was redirected from mainstream program sources. Total Australian Government Indigenous funding is estimated to increase by \$214 million to a record \$3.144 billion in 2005–06. The submission focused on the MTF's three priorities, and reflected advice from the MTF, NIC and Secretaries' Group.

### Indigenous Coordination Centres (ICCs)

OIPC was instrumental in establishing a network of 30 ICCs around Australia, comprising 23 rural and regional centres and seven metropolitan centres. Non-metropolitan ICCs comprise staff from the multiple agencies managing Indigenous programs. ICCs are managed and serviced by OIPC.

From 1 July 2004, ICCs coordinated arrangements for funding most of the former ATSIC–ATSIS programs and ensured a seamless transition to the new arrangements with no interruption to service delivery to Indigenous organisations and communities.

ICCs broker innovative and flexible solutions to Indigenous needs, from relevant federal programs, through negotiating SRAs at the local level and RPAs at the regional level.



### SRAs and RPAs

2004–05 was the first year of the roll out of SRAs, which are a significant means of responding to the needs of Indigenous communities in a coordinated whole-of-government way and streamlining processes so that it is easier for communities to deal with government. SRAs are driven by community priorities and target funding where the community sees the most urgent need. In 2004–05, the government announced that 76 SRAs had been signed with 64 Indigenous communities across Australia. Many of these SRAs include funding commitments from more than one Australian Government agency.

Negotiations on a number of RPAs progressed during 2004–05, with the first being close to finalisation at the end of the year.

Progress with SRAs and RPAs is further reported under the Outcome 5 Administered Items: Shared Responsibility Agreements Implementation Assistance; Indigenous Communities—Developing a 20–30 Year Vision; and Indigenous Communities—Improving School Attendance in Remote Areas.

### Streamlining funding arrangements

As reported above, OIPC played a facilitation and coordination role in new whole-of-government arrangements for funding Indigenous communities. OIPC wrote to all organisations that received funding in 2004–05 advising them of the process for 2005–06. The application and decision-making processes were coordinated across government through ICCs using a common program application form and single Program Funding Agreement (PFA) for the majority of former ATSIC–ATSIS programs. This meant that no additional administrative burden was imposed on applicants. A funds management system was used to process more than 920 applications to undertake more than 2900 activities in the coming financial year, with the first payments expected to be made in early July 2005. PFAs under the new arrangements will address community needs and, over time, reflect the priority being given to SRAs.

### ‘Red tape removal’

OIPC has initiated an analysis of the nature and extent of the administrative burden (‘red tape’) faced by organisations that provide services to Indigenous communities. A consultant chosen through a tender process will work with up to 30 specified organisations in 15 to 20 mainly discrete Indigenous communities to:

- map contracts and funding agreements with these communities and community organisations
- describe the projects funded under these contracts and agreements
- report on duplication, and recommend ways to reduce any undue administrative burden while maintaining appropriate levels of accountability.

A small number of pilot studies will investigate ways to simplify dealing with government, and to test assumptions identified through the ‘red tape’ evaluation.

*Emu Point is a growing community of around 100 people, 320 km south-west of Darwin, which signed one of the first Shared Responsibility Agreements (SRAs) with the Australian Government.*

*Discussions on the SRA commenced in the first half of the financial year, in response to the Australian Government's new arrangements in Indigenous affairs from 1 July 2004.*



## Sharing responsibility at Emu Point

In November 2004, the first of a series of six two-day, whole-of-community workshops was held in Emu Point, involving the Darwin Indigenous Coordination Centre (ICC) and the Northern Territory Government.

These workshops mapped out the community's needs, identified their goals and set out the assistance that government could provide to meet those goals.

The community's goals centred on the development of a market garden and the running of cattle to put Emu Point on the road to self-sufficiency and make it a sustainable community nurturing its young people.

Important discussions were videotaped and played back at the start of the next workshop to ensure there was consensus on the issues and all stakeholders were fully engaged.

The workshops led to the negotiation of an SRA, signed in March 2005, that supported the development of the community garden and the completion of a fence around the community

to manage cattle and define the community boundary. The fence also identifies the recently declared 'Dry Area' agreed by the Northern Territory Liquor Commission.

The local land council is providing start-up stock and CDEP participants will learn how to run the stockyard and maintain the garden. As part of the SRA, community elders have committed to help young people develop stock-handling skills. Elders will also pass on cultural knowledge and skills.

Alongside these activities, the Australian Government is building a child-care facility. The community will participate in the groups supporting this facility and the new school to be built by the Northern Territory Government. Families will make sure their children go to school.

All working-age community members signed up to participate in aspects of the community's development—the crèche, the school, the garden or the fencing project—within the scope of the SRA.

### Bilateral agreements with the states/territories

OIPC coordinated discussions with state and territory governments about bilateral agreements on Indigenous affairs. Negotiations focused on obtaining agreement on priority areas for joint government action to improve outcomes for Indigenous people, in line with COAG's 2004 *National Framework of Principles for Delivering Services to Indigenous Australians*. Under this framework, governments are committed to:

- achieving better outcomes for Indigenous Australians by sharing responsibility
- focusing on identified priority areas
- establishing transparency and accountability
- developing a learning framework
- cutting unnecessary duplication between jurisdictions
- reducing bureaucratic red tape and harnessing mainstream government programs to ensure they meet the needs of Indigenous Australians.

The first bilateral agreement was signed in Darwin by the Prime Minister and the Northern Territory Chief Minister on 6 April 2005. This agreement includes a housing schedule that will cut administrative duplication through transferring responsibility for Indigenous housing from the Australian Government to the Northern Territory Government.

Progress has been made in negotiations with other states and territories. Bilateral agreements are expected to include a commitment from governments to add to the agreement progressively as opportunities for joint work on the agreed priorities arise.

### Whole-of-government policy development

OIPC worked collaboratively with other government agencies to coordinate the development of policy to improve Indigenous outcomes. We convened an SES Taskforce to address the major systemic policy issues requiring a whole-of-government response.

Three cross-agency working groups were set up to advance the three priorities set by the MTF, under the direction of the Secretaries' Group. Chaired by OIPC, these working groups include lead agencies with major program responsibilities in the relevant areas. The working groups were tasked with gathering information about relevant existing programs and policies, then developing coherent strategies for coordinated Australian Government action. While noting the extensive role played by the states and territories, the working groups advised the Secretaries' Group on proposed strategic directions for the Australian Government, including proposals for consideration in the Budget context.

Significant input was provided to other cross-portfolio processes to develop Indigenous social and economic policy in areas such as health, education, economic development and family wellbeing. OIPC participated in key forums such as the Child Health and Well-being Taskforce and the Secretaries' Advisory Group on Youth.

OIPC has significant program responsibilities in relation to land and native title (see Outcome 5) and during the year advised the Minister on the development of reforms to the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALR Act) following consultations with Northern Territory Government officials. The reforms are aimed at streamlining the exploration and mining development process under Part IV of the ALR Act. In response to Northern Territory Government proposals to facilitate headleases over townships on land granted under the ALR Act and related proposals from the Northern Territory land councils, we developed options for tenure arrangements that would facilitate home ownership and economic development on Aboriginal land.

OIPC also advised the Secretaries' Group on initiatives for Indigenous people to gain economic and social benefits from land use and ownership. We provided significant input into the scoping and development of these initiatives and supported the NIC's work in this area.

We provided input to the resource policies and programs of other agencies for the benefit of Indigenous Australians, including the development of the National Indigenous Fishing Principles by the National Indigenous Fishing Technical Working Group and a National Indigenous Forestry Strategy by the Department of Agriculture, Fisheries and Forestry.

OIPC contributed to the work of the Ministerial Council on Aboriginal and Torres Strait Islander Affairs (MCATSIA) and other Ministerial Councils targeting early childhood development, economic development and telecommunications issues for Indigenous people.

OIPC participated in the development of relevant mainstream strategies and initiatives such as the draft National Agenda for Early Childhood, and has been a key player on the National Inhalant Abuse Taskforce.

Advice on Indigenous issues was prepared and coordinated for parliamentary inquiries and various international forums. In particular, we prepared a briefing for the Australian delegation to the Permanent Forum on Indigenous Issues, held in New York in May 2005.

### Information and research

Improving the relevance and comprehensiveness of data in relation to Indigenous Australians is a key focus of the new arrangements.

OIPC established the Australian Government Indigenous Management Information System (AGIMIS) to support the long-term policy, program implementation and reporting requirements of the whole-of-government approach to Indigenous services. Consultation with agencies in early 2005 culminated in a Scoping Report which outlines the information required to report on the Australian Government's investment in, and delivery of, Indigenous services. As at 30 June 2005, we had

completed work on the necessary foundation documents to ensure the integrity of data collection and reporting within AGIMIS.

OIPC contributed to the second edition of the *Overcoming Indigenous Disadvantage: Key Indicators* report through the Steering Committee for the Review of Government Service Provision. We also provided advice on Indigenous data to a number of advisory bodies and committees, including the Australian Bureau of Statistics and the National Advisory Group on Aboriginal and Torres Strait Islander Health Information and Data.

OIPC provided numerous ministerial briefings on key publications and reports containing Indigenous data, in terms of both the integrity and quality of the data and the trends in key indicators such as life expectancy and school retention.

In line with our interest in fostering research into Indigenous issues, OIPC continued to support the work of the Desert Knowledge Cooperative Research Centre, which focuses on the sustainable prosperity and livelihoods of all remote desert inhabitants, particularly Indigenous people. We also continued funding for the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University and the Agreements, Treaties and Negotiated Settlements database at Melbourne University.

### Evaluation

OIPC convenes and leads a cross-portfolio Evaluation Advisory Group (EAG), which supports the effective implementation of the whole-of-government approach to Indigenous affairs. EAG's role includes:

- developing a coordinated rolling plan of evaluations across all agencies
- giving OIPC technical and tactical advice on its proposed monitoring and evaluation work plan and activities
- advising OIPC on and providing input to the public reporting processes required by the new arrangements.

The work of the EAG complements the role of independent agencies such as the Australian National Audit Office (ANAO) and the Office of Evaluation and Audit (Indigenous Programs) in the Department of Finance and Administration.

OIPC's own evaluation plans cover three broad areas:

- the way in which policies and programs at a national level join to achieve outcomes for Indigenous people
- the way in which governments and their programs work with/in local communities and how they can be made more responsive to the needs of those communities
- continuously improving the way agencies are implementing the Government's policies and programs.

In late 2003 the Australian and state/territory governments agreed on a monitoring and evaluation framework for the eight COAG Indigenous coordination trials. OIPC has agreed with all Australian Government lead agencies and a number of other partners, including state and territory governments and representatives of Indigenous communities, on how the evaluations will be conducted, commencing in 2005–06.

The arrangements for ongoing evaluation of SRAs consist of two elements:

- monitoring the performance of individual SRAs by including a small set of quantitative performance indicators in each SRA, and reporting regularly against these indicators. This element also involves engaging a panel of independent consultants to conduct a concise qualitative review of individual SRAs at their conclusion or an appropriate review point
- systemic evaluation of all SRAs signed in a financial year. This element includes reviews of SRAs a year after they are established, starting in 2005–06. The implementation review will synthesise lessons learnt—for instance, whether commitments made were being implemented, whether the agreement-making process had enabled effective community engagement, and whether there is community ownership and a basis for further development of partnerships with the community.

We expect the implementation review will be followed by an impact evaluation three or four years after SRAs are signed, assessing the impact of SRAs collectively in achieving better outcomes.

## Outcome 3—Administered items

### COMPENSATION AND LEGAL EXPENSES

Figure 83: Performance information—Compensation and legal expenses

MEASURES	RESULTS
<b>Quality:</b>	
Minimise the extent to which legal actions against the Commonwealth are successful.	Feedback from the minister's office indicated that minister and her office were very satisfied with the management of the extensive amount of litigation on a range of complex issues during the year, including protection of the Australian Government's interests.

#### Objective

To manage the conduct of litigation in defence of the Australian Government's interests.

#### Description

OIPC manages the conduct of some litigation where the Australian Government's responsibilities in Indigenous affairs are involved. We do 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*.

#### Analysis of performance

Litigation relating to the Indigenous affairs part of the portfolio included:

- ongoing litigation surrounding the Minister's suspension of former ATSIC Chairperson, Mr Geoff Clark, including an appeal of the decision of Justice Gray of the Federal Court overturning the suspension
- defence of a challenge brought by ATSIC to the creation of ATSIS. These proceedings were discontinued following the abolition of ATSIC by the *Aboriginal and Torres Strait Islander Act 2005*.

There were 2094 'separated children' claims lodged in the High Court as at 30 June 2005. OIPC pursued cost recovery in a number of matters. We recovered \$192 765 in settlement of outstanding costs in the Hindmarsh Island Bridge litigation.

## Outcome 3—Administered items

### CROSS-PORTFOLIO INDIGENOUS FLEXIBLE FUNDING ARRANGEMENTS

Figure 84: Performance information—Cross-portfolio Indigenous flexible funding arrangements

MEASURES	RESULTS
<b>Quality:</b>	
Timely cross-portfolio response to community identified and government agreed priorities.	32 projects across eight COAG trial sites were funded addressing community identified and government agreed priorities.

#### Objective

To support the Council of Australian Governments (COAG) Indigenous trials.

#### Description

On 1 July 2004 OIPC assumed the role of the former Indigenous Communities Coordination Taskforce and the cross-portfolio flexible funding pool arrangements in eight trial sites, one in each state and territory. Sponsored by COAG, the trials have concentrated on inter-government coordination and innovative solutions to the challenges faced by Indigenous communities. Trials are established in:

- Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, SA
- Australian Capital Territory (ACT)
- Cape York, QLD
- East Kimberley region, WA
- Murdi Paaki region, NSW
- North-east Tasmania
- Shepparton region, VIC
- Wadeye, NT.

Each trial is led by a particular Australian Government agency. The sponsoring Secretaries and their respective agencies have been the main drivers of the Australian Government's whole-of-government cooperative approach in each site and they are now being supported by ICCs.



SRAs have been negotiated in all eight sites. The agreements set out the key strategic priorities and agreed outcomes that form the basis for collaboration and cooperation between the community representatives and governments to get better results for Indigenous communities and recognise and respect each of the parties' rights and responsibilities.

OIPC helped agencies understand the key issues raised by Indigenous leaders and their communities to better equip them to meet the challenges associated with implementing whole-of-government approaches, including by:

- supporting lead agencies in the development and progression of initiatives to meet the identified needs of Indigenous communities
- maintaining a website that sets out the key objectives of the COAG trials and highlights new and innovative approaches
- participation in relevant meetings and seminars conducted by Australian Government agencies to promote cross-agency collaboration and involvement in the trials.

### **Analysis of performance**

At 30 June 2005, more than 20 SRAs were in place in the eight trial sites between representatives of Indigenous communities, the Australian Government and the relevant state and territory governments. A framework is now in place for the development of SRAs, which is being built on successfully. Governance structures and strategic planning have generally been established and outcomes are being achieved.

In the APY Lands, for example, the Mai Wiru Regional Stores Policy (in place in all but one community) aims to increase the availability and affordability of healthy foods on the APY Lands. The PY Ku Network, a Rural Transaction Centres network, is now being trialled in two communities with the aim of delivering improved and increased services to the APY Lands and linking service delivery with training and employment opportunities. A new regional forum Tjungungku Kuranyukutu Palyantjaku has been developed that involves both levels of government and APY in improved service delivery.

In Cape York, achievements included:

- establishment of the Weipa Multi-Purpose Facility
- establishment of the Lockhart River Arts Centre
- implementation of the Cape York Strategic Leaders Program
- development of innovative service delivery approaches in health and business development
- successful placement of young Indigenous people in fruit picking jobs in the southern states
- development of a Cape York employment strategy.

Other Cape York initiatives include Flight Path, a program to help young people set and reach life goals including tertiary education, and Computer Culture, which engages communities and young people in education through multimedia recording and retelling of traditional cultural practices.

New approaches have also been put in place to improve partnerships on the ground. In the Murdi Paaki region, for example, the Department of Education, Science and Training (the lead agency) has established a team of four dedicated officers based in Dubbo, to develop strong links with communities and provide leadership across the region. The New South Wales Department of Education and Training has also provided a dedicated officer based in Dubbo. Together these officers work with the Manager of the Bourke ICC and form the Action Team managing the implementation of the trial at a community level. The Action Team represents both Australian and New South Wales Government agencies and is the first point of government contact for Community Working Parties, providing a more streamlined process for communities to engage with governments and a constant contact point, no matter what the issue.

Across the trial sites, initiatives have 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. In the East Kimberley region, for example, a governance forum has been set up, enabling community members to interact with senior representatives of the Australian, state, territory and local governments. A joint strategic plan encompassing all levels of government and the communities is also being developed.

A total of \$3.115 million from the cross-portfolio funding pool supported 32 projects in Indigenous communities participating in the trials. Funds were provided to model whole-of-government initiatives and to support projects that have the potential to foster sustainable development but that could not be funded under existing program guidelines. Further information is provided under the Outcome 5 Administered Items relating to SRAs.

## Outcome 3—Administered items

### RECONCILIATION PLACE IN CANBERRA—CONTINUOUS DEVELOPMENT

Figure 85: Performance information—Reconciliation Place in Canberra

MEASURES	RESULTS
<b>Quality:</b>	
Continued development	The department achieved agreement with, and released the first \$1 million to, the National Capital Authority to commence development of further artworks.

#### Objective

To continue the government's commitment to development of Reconciliation Place, Canberra, as a national symbol of Reconciliation.

#### Description

OIPC is working with the National Capital Authority (NCA) to engage the necessary service providers for the design, construction and installation of six additional artworks at Reconciliation Place.

#### Analysis of performance

OIPC, in partnership with the NCA, began planning for the artworks and released \$1 million to the NCA under a Memorandum of Understanding to guide management of the project. We proposed an Advisory Committee, with both Indigenous and non-Indigenous members, to be appointed by the Minister to advise on the design brief and selection of artworks. Appointment of the Advisory Committee will take place early in 2005–06. At least three of the artworks will be installed during 2005–06.

## Outcome 4

Outcome Four seeks *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.*

This outcome was transferred from the Aboriginal and Torres Strait Islander Commission (ATSIC) and reflected the former responsibilities of ATSIC.

The three outputs associated with this outcome were either no longer undertaken in 2004–05 or transferred to other agencies. Their status is:

- Output 4.1: Policy and Advocacy—Not undertaken in 2004–05, except through Regional Councils
- Output 4.2: Evaluation and Audit—Transferred to Department of Finance and Administration
- Output 4.3: Home Loans—Transferred to Indigenous Business Australia.

Departmental staff in ICCS supported Regional Councils in their continuing role to 30 June 2005.

Readers are referred to the ATSIC annual report for further information.

The department continued to support two measures/administered items:

- Aboriginals Benefit Account (ABA)
- Aboriginal and Torres Strait Islander Land Fund.

The 2004 Budget measure, Indigenous Women's Development, is reported under Outcome 5.

A further measure affecting this outcome, Indigenous Australians—Better Service Delivery, relates to the Australian Government's new arrangements in Indigenous affairs from 1 July 2004. The department's role under the new arrangements is reported under Outcomes 3 and 5.

*The Roma ICC says regular community meetings and a whole-of-community focus on an issue helped the Aboriginal people of Mitchell, a small town 600 km west of Brisbane, to develop their SRA.*



## Sharing a community's cultural history

The issue identified in Mitchell was that, with the passing of elders, knowledge of their history and stories would be lost. A lot of that community history was associated with the Yumba, a former reserve near the town.

The community came together to discuss their concerns, and decided what was the most important issue for them. A reference group then worked with the ICC and kept the community informed.

The Mitchell SRA will develop an Interpretive Walking Trail at the Yumba, so the Yumba story can be shared with school children, tourists and the local community.

When completed, the trail will be an important tourist attraction, helping the local community to generate income and provide life skills through training, work experience and employment.

Volunteers from the local CDEP will clean up and build the walking trail, and the community will promote the trail to local schools and tourist operators. They will also approach schools, local businesses and TAFE to organise training and work experience. Local Indigenous artists and storytellers will work with community members to record the Yumba story.

The Australian Government is providing funds to construct the trail and a caretaker's cottage and to record the Yumba story in language and art. The Government is also funding a Heritage Tourism Officer who will work with the caretaker to maintain the trail.

The negotiations were successful because the focus was on addressing the issue, not on who would get the funding, and the issue was of concern to the whole community, not just part of it.

## Outcome 4—Administered items

### ABORIGINALS BENEFIT ACCOUNT (ABA)

Figure 86: Performance information—ABA (March–June 2005)

MEASURES	RESULTS
<p><b>Quality:</b> Adherence to provisions of Part VI of the <i>Aboriginal Land Rights (Northern Territory) Act 1976</i> including:</p>	
<ul style="list-style-type: none"> <li>• ABA Income—Receipt of all moneys identified and calculated as payable to the ABA Special Account.</li> </ul>	<p>ABA income for the period covered in this report included:</p> <ul style="list-style-type: none"> <li>• royalty equivalent receipts totalling \$3 261 784</li> <li>• resources provided free of charge for the operations of the ABA Secretariat totalling \$189 085</li> <li>• interest earned on ABA investments totalling \$1 809 062.</li> </ul> <p>The estimated price for administering this measure during the period covered by this report is \$24 056.</p>
<ul style="list-style-type: none"> <li>• ABA Expenditure—Distribution of statutory and discretionary moneys payable from the ABA Special Account in accordance with relevant guidelines, contractual obligations and tax laws.</li> </ul>	<p>Expenditure from the ABA for the period covered in this report included:</p> <p>Statutory payments</p> <ul style="list-style-type: none"> <li>• subsection 64(1) totalling \$1 304 714</li> <li>• subsection 64(3) totalling \$978 536</li> </ul> <p>Discretionary payments</p> <ul style="list-style-type: none"> <li>• subsection 64(4) totalling (\$92 307)</li> <li>• subsection 64(6) totalling \$365 063.</li> </ul> <p>No subsection 64(8) expenditure occurred.</p> <p>Loss on sale of investments totalled \$36 650.</p> <p>The estimated price for administering this measure during the period covered in this report is \$224 096.</p>
<ul style="list-style-type: none"> <li>• Advocacy—ABA Advisory Committee meetings held and diversity of views of the Committee ascertained and expressed in advices to the Minister.</li> </ul>	<p>The ABA Advisory Committee met on 19 May 2005 to discuss future directions of the ABA and to consider funding applications in order to advise the Minister in accordance with subsection 64(4) of the ALR Act.</p> <p>The estimated price for administering this measure during the period covered in this report is \$59 903. This figure includes sitting fees and travel costs for Committee members at a cost of \$18 496.</p>

Figure 86 *continued*

MEASURES	RESULTS
<ul style="list-style-type: none"> <li>Ministerial Services pertinent to ABA—95 per cent of submissions, reports and briefs prepared within the required timeframe.</li> </ul>	<p>Approximately six Ministerial and Parliamentary briefings were processed by the ABA Secretariat during the period covered by this report.</p> <p>The estimated price for administering this measure by the ABA Secretariat during the period covered by this report is \$30 411.</p>
<ul style="list-style-type: none"> <li>Continuous Growth in ABA Equity Level—Investment of funds in accordance with the ABA Investment Strategy in securities prescribed by the <i>Financial Management and Accountability Act 1997</i>; reviews and updates of financial management strategies to ensure that the ABA is well targeted and viable over the long term.</li> </ul>	<p>The ABA's equity level increased by \$2 710 027 during 2004–05 and its investment holdings increased by \$2 437 473.</p> <p>In 2004–05, the ABA implemented a strategy to sell its floating rate note and fixed bond holdings. The sale of these investments was completed by April 2005.</p> <p>The ABA maintained the disaggregation of its investment portfolio into the Growth Fund and Liquid Fund.</p> <p>The estimated price for administering this measure during the period covered by this report is \$63 247.</p>

### Objective

The Aboriginals Benefit Account (ABA) is established by Part VI of the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALR Act). Its major functions are:

- to receive the equivalent of mining royalty moneys derived from mining operations on Aboriginal land in the Northern Territory, and such other income as outlined in section 63 of the ALR Act
- to make payments under section 64 of the ALR Act
  - to Aboriginal land councils in the Northern Territory in the proportions determined by the Minister for Immigration and Multicultural and Indigenous Affairs (the Minister) to meet their administrative costs
  - to Aboriginal land councils for distribution to incorporated Aboriginal associations, communities or groups in order to benefit those Aboriginal people who are affected by mining operations
  - for the benefit of Aboriginals living in the Northern Territory. In this regard, the Minister is advised by an Advisory Committee
  - as directed by the Minister, in accordance with the provisions of section 64 of the ALR Act.

### Description

The ABA is a Special Account of the Commonwealth administered for the purposes of the *Financial Management and Accountability Act 1997* (FMA Act). During the

year under review, the ABA was administered by ATSIC until its abolition on 24 March 2005, when the account transferred to the OIPC within the department. The ABA Secretariat is located within OIPC's Northern Territory State Office.

As required by section 64B of the ALR Act, the ABA tables in Parliament a separate annual report for 2004–05 together with audited financial statements. This report will contain performance information for all measures for the full financial year. Following is a summary report for the period of the department's administration: 24 March 2005 to 30 June 2005.

The ABA maintains an output costing system that aligns with the measures listed in the performance figure above (first column). The price of administering each output/measure is derived from an activity-based costing system where the apportionment of subsection 64(6) of the ALR Act direct and indirect costs across ABA outputs/ measures is based on various cost drivers, including the time officers spend on activities under each output/measure.

## Analysis of performance

### ABA income

Royalty equivalent income during the period was \$3 261 784 derived from non-uranium mining operations on Aboriginal land in the Northern Territory.

Resources received free of charge by the ABA Secretariat were as follows:

OIPC/DIMIA:	\$
Office rent/office services	14 505
Information technology	7 302
Staff salaries and related costs	139 519
Superannuation	26 259
ANAO:	
Audit fees	1 500
Total resources free of charge	<u>189 085</u>

Interest earned on ABA investments was:

	\$
Bills of exchange	423 584
Interest bearing deposits	1 279 062
Floating rate notes	11 900
Fixed bonds	20 959
11 am call	<u>73 557</u>
Total interest	<u>1 809 062</u>



## ABA expenditure

### Statutory payments

Statutory expenditure disaggregated by land council was:

	Subsection 64(1)	Subsection 64(3)
Northern Land Council	720 202	550 665
Mining Withholding Tax (MWT)	30 008	22 944
<i>Sub-total Northern Land Council</i>	<u>750 210</u>	<u>573 609</u>
Central Land Council	438 384	388 729
MWT	18 267	16 198
<i>Sub-total Central Land Council</i>	<u>456 651</u>	<u>404 927</u>
Tiwi Land Council	62 626	-
MWT	2 609	-
<i>Sub-total Tiwi Land Council</i>	<u>65 235</u>	<u>-</u>
Anindilyakwa Land Council	31 313	-
MWT	1 305	-
<i>Sub-total Anindilyakwa Land Council</i>	<u>32 618</u>	<u>-</u>
Total subsection 64(1) and 64(3)	<u>1 304 714</u>	<u>978 536</u>

### Discretionary payments: Subsection 64(4)

In late 2004, the government committed to making up to \$50 million available from the ABA, under subsection 64(4) of the ALR Act, for a Regional Economic Development Strategy designed to improve the economic situation of Indigenous people in the Northern Territory. Implementation of the strategy has advanced, with a number of funding proposals received. The necessary viability assessments and due diligence reviews of these proposals were progressed during the year, as a precursor to Ministerial consideration.

Subsection 64(4) expenditure for 24 March to 30 June 2005 shows a negative figure of (\$92 307) which is attributed to the write back of surplus grant funds and a change in the calculation of Mining Withholding Tax obligations on grant liabilities as at 30 June 2005.

Subsection 64(6) expenditure was:

Staff:	\$
—Salaries and related expenses	133 820
—Superannuation	26 259
—Workers compensation premiums	5 699
	<hr/> 165 778
ABA Advisory Committee members:	
—Sitting fees	3 297
—Superannuation	296
Total employee expenses	<hr/> 169 371
	<hr/>
Total supplier expenses	<hr/> 195 692

The supplier expenses figure of \$195 692 includes expenditure of \$115 222 for consultancies. Of this, \$65 492 relates to viability assessments and due diligence reviews on funding proposals received and \$49 300 on evaluations of land council estimates of expenditure and related administration matters.

### Advocacy: ABA Advisory Committee

Twenty-two funding proposals (totalling \$74 147 673) were tabled at the ABA Advisory Committee meeting on 19 May 2005. Of these, 12 applications totalling \$25 314 250 were supported by the ABA Advisory Committee. The remaining ten were deferred for consideration at a future meeting.

At the time of this report, the above applications had not been considered by the Minister.

### Ministerial services

A significant proportion of the costs allocated for administering this measure relate to various reviews by consultants on land council estimates of expenditure and administration matters. Fifty per cent of such costs (totalling \$24 606) are allocated to this measure as the outcomes of the reviews are required for Ministerial briefings.

### ABA equity level and investment

#### Equity level

The ABA's equity level grew by \$2 710 027 mainly due to the receipt of royalty equivalents of \$3 261 784 and interest income of \$1 809 062. Significant expenditure during the period related to statutory expenditure of \$2 283 250 under subsections 64(1) and 64(3) of the ALR Act.

## Investments

An audit conducted by the Australian National Audit Office (ANAO) of the Investment of Public Monies in 2003–04 identified that the ABA held, at 30 June 2004, investments that did not meet the definition of an ‘authorised investment’ under section 39 of the FMA Act. As a consequence, the ABA sold its floating rate note and fixed bond investments. A decision was also made to sell a capital indexed bond. A net loss of \$36 650 was realised for the period covered in this report; however, over the entire 2004–05 year, a gain of \$564 486 was realised on investments sold.

At 30 June 2005, the ABA Investment Portfolio comprised:

<i>Liquid Fund</i>	\$
11 am call account	1 275 000
Interest bearing deposits	34 300 846
Bills of exchange	6 700 000
Subtotal	<u>42 275 846</u>
 <i>Growth Fund</i>	
Bills of exchange	22 970 000
Interest bearing deposits	50 855 198
Subtotal	<u>73 825 198</u>
 Balance of Invested Funds at 30 June	 <u>116 101 044</u>

Liquid Fund investments are utilised for cash-flow purposes, whereas the Growth Fund comprises longer term investments.

Independent professional advice is sought on the portfolio’s return and performance for each financial year against appropriate benchmarks. This performance information is provided in the ABA 2004–05 annual report.

## Outcome 4—Administered items

### ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND

Figure 87: Performance information—Aboriginal and Torres Strait Islander Land Fund

MEASURES	RESULTS
<b>Quality:</b>	
Investment of funds in accordance with the investment strategy of the Consultative Forum to maximise the return on funds in securities prescribed by the <i>Financial Management and Accountability Act 1997</i> .	See below

A full report, as required by section 193I of the *Aboriginal and Torres Strait Islander Act 2005*, follows on the next page. This report is accompanied by audited financial statements.

# Aboriginal and Torres Strait Islander Land Fund Account

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

### Objectives

To provide a secure stream of income to the Indigenous Land Corporation (ILC) in perpetuity to provide economic, environmental, social and cultural benefits for Aboriginal people and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous land base.

To retain the real value of the Aboriginal and Torres Strait Islander Land Fund.

### Establishment

The Aboriginal and Torres Strait Islander Land Fund Account (the Land Fund), together with the ILC, was established in 1995 by the *Land Fund and Indigenous Land Corporation (ATSIC Amendment) Act 1995*. It is now established by the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act). This report is required under subsection 193I(1) of the ATSI Act and is for the full financial year.

### Financial arrangements

Between 1995–96 and 2003–04 (ATSI Act 'Category A years'), the Australian Government made an annual appropriation of \$121 million (indexed to 1994 values) to the Land Fund. The Land Fund was to be built up to become a self-sustaining capital fund by 30 June 2004. Approximately 63 per cent of the annual appropriation was to be invested to build the capital base of the Land Fund. The remaining 37 per cent was to be administered by the ILC for its statutory land acquisition and land management responsibilities and for associated costs.

From the beginning of 2004–05, government allocations to the Land Fund ceased and the ILC received the realised real return on investments of the Land Fund in the previous year on the last working day of the financial year.

It is envisaged that the capital base will be sufficient for the annual earnings to replace the government appropriation making it a perpetual fund.

## Structure of the Land Fund

From 1 January 1998 the Land Fund became a Reserved Fund within the Commonwealth Public Account. From that date moneys placed in the Land Fund must be invested in accordance with subsection 39(10) of the *Financial Management and Accountability Act 1997* (FMA Act). On 1 July 1999 the *Financial Management Legislation Amendment Act 1999* converted the Land Fund Reserve to a Special Account under subsection 20(1) of the FMA Act. As a consequence, the Land Fund Reserve became known as the Land Fund Account.

The Land Fund and its investments were administered by ATSIC under delegation from the Minister for Finance and Administration under subsection 193F(1) and (2) of the ATSIC Act until 30 June 2003. Following the creation of the Executive Agency Aboriginal and Torres Strait Islander Services (ATSIS) on 1 July 2003, the Chief Finance Officer (CFO) of ATSIS was appointed as the Minister's Delegate for that purpose by the Minister for Finance and Administration, effective from 1 July 2003.

This arrangement continued until the *ATSIC Amendment Act 2005/Aboriginal and Torres Strait Islander Act 2005* came into force on 24 March 2005, when responsibility for the administration of the Land Fund transferred to the department.

Delegation from the Minister for Finance and Administration under the ATSIC Act was with the Acting Chief Executive Officer, ATSIS and Acting CFO, ATSIS until 23 March 2005. From 24 March 2005, the delegation was to the department's Chief Financial Officer and Director, Financial Management and Reporting.

## Effects of ANAO performance audits

The Australian National Audit Office (ANAO) published two reports in 2004–05: the *Management of Special Appropriations* and the *Investment of Public Funds*. Both reports impacted on the Land Fund.

In the *Management of Special Appropriations* report, the ANAO concluded that the Land Fund had been over-credited during the years 1995–96 through 2003–04 inclusive. The over-crediting was caused by incorrect indexation factors (as required by subsection 193D(1) of the then ATSIC Act) being applied to the annual appropriation amount. On the basis of the ANAO calculations, the Land Fund reported a payable back to the Official Public Account (OPA) in the 2003–04 financial statements of \$15 789 359, being \$11 569 382 of principal and \$4 219 977 of interest.

Further refinement of the calculations occurred prior to the repayment of the OPA of the amount of over crediting taking further account of the provisions of subsection 193D(1) of the ATSIC Act.

On the basis of indexation factors as per subsection 193D(1), the correct amount of over-crediting was determined as \$16 859 958. This is dissected as follows:

Figure 88: Over crediting amounts

Column	1	2	3	4	5
Year	Amount credited (\$)	ANAO calculation of authorised	ANAO calculation of unauthorised	Actual unauthorised amount (4)	Difference
					1-2
					3-4
1996-96	123 178 000	122 452 000	726 000	484 000	242 000
1996-97	126 750 000	126 003 108	746 892	620 568	126 324
1997-98	129 792 000	128 775 176	1 016 824	1 139 980	-123 156
1998-99	133 686 000	131 350 679	2 335 321	2 460 940	-125 619
1999-00	136 359 000	132 401 484	3 957 516	3 821 690	135 826
2000-01	139 223 000	134 255 104	4 967 896	4 697 631	270 265
2001-02	141 451 000	139 088 287	2 362 713	2 082 718	279 995
2002-03	143 997 000	142 148 229	1 848 771	1 423 248	425 523
2003-04	146 695 000	145 986 231	708 769	129 183	579 586
<b>Total</b>	<b>1 221 131 000</b>	<b>1 202 460 298</b>	<b>18 670 702</b>	<b>16 859 958</b>	<b>1 810 744</b>

The \$16 859 958 was subsequently verified by the Department of Finance and Administration as being the correct amount of over-crediting, and the amount was repaid to OPA.

As the \$16 859 958 was a total of the effect of over-crediting for the Land Fund, the ILC and ATSIC, the repayment was as follows:

Land Fund principal	\$10 432 046
ILC principal	\$6 236 344
ATSIC principal	\$191 568
<b>Total principal</b>	<b>\$16 859 958</b>

In addition, \$3 915 121 of interest earned on the over-crediting between 1 July 1995 and 30 June 2004 was calculated as relating to the over-crediting. This was also paid to the OPA.

Between 30 June 2004 and the repayment date, a further \$364 405 of interest was earned by the Land Fund on the over-credited principal and interest, which was also paid to the OPA.

The Department of Finance and Administration has subsequently confirmed that all amounts owing have been paid to the OPA.

As the ANAO figures were impounded in the 2003–04 financial statements, the difference between these figures and those required to be compliant with the ATSI Act are reflected in the 2004–05 statements.

This resulted in the following adjustments in 2004–05:

Figure 89: Difference between ANAO calculations 2003–04 and revised calculations

	ANAO calculation in 2003–04 statements	Revised calculation	Impact on 2004–05 statements
Principal	11 569 382	10 432 046	1 137 336
Interest	4 219 977	3 915 121	304 856
<b>Total</b>	<b>15 789 359</b>	<b>14 347 167</b>	<b>1 442 192</b>

The Investment of Public Funds report found that \$415 540 684 of the then \$1 417 836 351 of investments did not fit within the categories of investments allowed under section 39 of the FMA Act, in that they were not deposits with banks. No definition was provided in the report as to what constituted a deposit with a bank, nor is there an agreed definition in the FMA Act or elsewhere.

With some residual uncertainty as to the final definition of what constitutes a deposit with a bank under the FMA Act, the Land Fund has chosen to invest in government-backed securities or negotiable or tradable certificates of deposit, until the matter is resolved.

The Consultative Forum (see below) agreed to sell the investments classified by the ANAO as non-compliant so long as there was no net loss on the sale of the group as a whole. The investments in question were sold with a net profit of \$810 041.

### Consultative Forum

The Minister has appointed a Consultative Forum (section 193G of the ATSI Act) to consider the investment policy of the Land Fund, comprising nominated ILC Directors, other appointees of the Minister, and the Delegate of the Minister for Finance and Administration. The forum met on two occasions in 2004–05. The members of the Consultative Forum during the year were:

- David Baffsky, Director, ILC
- Shirley McPherson, Chairperson, ILC
- Michael Fileman, Acting CFO, ATSI (1 July 2004 to 30 May 2005) and Director, Financial Management and Reporting, DIMIA (1 June 2005 onwards) and Delegate of the Minister for Finance and Administration.



## Realised real return

As noted above, 2004–05 was the first year in which there was no government appropriation to the Land Fund, and the realised real return of the Land Fund was calculated and paid to the ILC on the last working day of 2004–05. The realised real return was calculated as being \$4 038 109. This was based on a nominal return of 4.12 per cent and a discount rate of 3.8 per cent.

The calculation of the realised real return is performed using the indexation factor defined under section 193D of the ATSI Act. That section is as follows:

- (1) The indexation factor for a category A year is worked out using the following formula (and then rounded under subsection (3)):

$$\frac{\text{Sum of index numbers for quarters in first March year}}{\text{Sum of index numbers for quarters in second March year}}$$

where:

**first March year** means the period of 12 months ending on 31 March immediately before the category A year.

**index number**, for a quarter, means the implicit price deflator for gross non-farm product (trend) published by the Australian Statistician in respect of the quarter (ignoring any later number that may be published by the Australian Statistician in substitution for it).

**second March year** means the period of 12 months immediately before the first March year.

*Indexation factor—category B year*

- (2) The indexation factor for a category B year is worked out using the following formula (and then rounded under subsection (3)):

$$\frac{\text{Sum of index numbers for quarters in first June year}}{\text{Sum of index numbers for quarters in second June year}}$$

where:

**first June year** means the period of 12 months ending on 30 June immediately before the category B year.

**index number**, for a quarter, means the implicit price deflator for gross non-farm product (trend) published by the Australian Statistician in respect of the quarter (ignoring any later number that may be published by the Australian Statistician in substitution for it).

**second June year** means the period of 12 months immediately before the first June year.

### *Rounding the indexation factor*

- (3) A result under subsection (1) or (2) must be rounded up or down to 3 decimal places (rounding up in the case exactly half-way between).

### *Change in statistical reference base*

- (4) For the purposes of applying the formula component ***index number*** in subsection (1) or (2), if:
- (a) at any time, whether before or after the commencement of this subsection, the Australian Statistician has changed or changes the reference base for the implicit price deflator for gross non-farm product (trend);
- then:
- (b) after the change, only numbers published in terms of the new base are to be used.

On the basis of section 193D of the ATSI Act, the following indexation factor was determined:

Figure 90: Indexation factors

<i>Column</i>	1	2	3	4	5	6	7	8
<b>Quarter</b>	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04
<b>Base year</b>	2000-01	2000-01	2000-01	2001-02	2001-02	2001-02	2001-02	2002-03
Index factor as first published by ABS	104.3	104.6	105.7	104.1	104.8	106.2	107.4	105.7
Indexation factor after ABS rebase 1	101.8	102.6	103.3	101.0	102.0	103.2	104.5	
Indexation factor after ABS 2	99.1	99.7	100.3					
Factor applied	99.1	99.7	100.3	101.0	102.0	103.2	104.5	105.7
Discount factor for 2004-05 payment								
Indexation factor as per section 193D*				1.03824044				
Rounded as per section 193D(3)				3.80%				

\* Calculated by the final factor in columns 5 through 8 inclusive over columns 1 through 4 inclusive.

The indexation factor was applied to the Land Fund earnings as follows:

Figure 91: Indexation factors applied to Land Fund earnings

<b>Assets as at 30 June 2003</b>	<b>\$1 290 657 412</b>
Add special appropriation 02/07/03	\$91 982 000
Revaluation	\$-106 400 109
Accrued interest & other receivables	\$-8 177 347
<b>Assets as at 2 July 2003</b>	<b>\$1 268 061 956</b>
Assets as at 30 June 2004	\$1 431 588 475
Revaluation	\$-83 202 765
Accrued interest	\$-13 752 124
Overcrediting repayable to the OPA	\$-14 347 167
<b>Assets as at 30 June 2004</b>	<b>\$1 320 286 419</b>
Nominal rate of return	4.12%
Indexation factor	3.80%
Real return	0.32%
<b>Amount payable</b>	<b>\$4 038 109</b>

The department interpreted 'realised real return' to be the return of the Land Fund that was manifested in cash in the year, adjusted on the basis of the discount rate under section 193D of the ATSI Act.

However, so as to ensure that all payments to the ILC are in accordance with the ATSI Act, the department has requested an audit under section 20 of the Audit Act by the ANAO of the correct interpretation of 'realised real return'.

### Future investment strategy

The department has recommended that the Consultative Forum outsource the investment advisory services, investment management and custodial services through open tender. Should the Consultative Forum agree to this approach, tenders are expected to be requested in the first quarter of 2005-06.

### Indigenous Land Corporation (ILC)

The ILC is an independent statutory authority within the Immigration and Multicultural and Indigenous Affairs Portfolio which uses the funds made available to it each year from the Land Fund. The ILC has responsibility for the acquisition and management of newly acquired Indigenous land and for existing indigenous held land in all states and territories. The ILC is obliged to table an annual report detailing its administrative structure and processes under subsection 193K(1) of the ATSI Act.



## INDEPENDENT AUDIT REPORT

To the Minister for Immigration and Multicultural and Indigenous Affairs

### Scope

#### *The financial statements and Chief Executive's responsibility*

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Statements of Financial Performance, Financial Position and Cash Flows; and
- Notes to and forming part of the Financial Statements

of the Aboriginal and Torres Strait Islander Land Fund Account for the year ended 30 June 2005.

The members of the Land Fund are responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Aboriginal and Torres Strait Islander Land Fund Account, and that comply with accounting standards, other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the Financial Management and Accountability Act 1997. The members of the Land Fund are also responsible 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 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 judgement, 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 audit procedures, the audit was not designed to provide assurance on internal controls.

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I have performed procedures 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 Aboriginal and Torres Strait Islander Land Fund Account'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 Chief Executive.

### ***Independence***

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

### **Audit Opinion**

In my opinion, the financial statements of the Aboriginal and Torres Strait Islander Land Fund Account:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Aboriginal and Torres Strait Islander Land Fund Account's financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
  - (i) the matters required by the Finance Minister's Orders; and
  - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office

[signed]

Rebecca Reilly  
Executive Director

Delegate of the Auditor-General

Canberra  
9 September 2005

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

---

In our opinion, the attached financial statements for the Aboriginal and Torres Strait Islander Land Fund 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*.

Signed..... [signed].....

Andrew Metcalfe  
Secretary  
Department of Immigration and Multicultural and  
Indigenous Affairs

8 September 2005

Signed..... [signed].....

Louise Gray  
Chief Finance Officer  
Department of Immigration and Multicultural and  
Indigenous Affairs

8 September 2005

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
STATEMENT OF FINANCIAL PERFORMANCE**

*For the year ended 30 June 2005*

	Notes	2005 \$	2004 \$
<b>Revenues from ordinary activities</b>			
Interest		100,415,286	70,635,926
Revenue from sale or maturity of investments		506,500,442	500,543,660
Revenue from Government		-	54,713,000
Other		304,856	-
<b>Revenues from ordinary activities</b>		<b>607,220,585</b>	<b>625,892,586</b>
<b>Expenses from ordinary activities</b>			
Transfer to Indigenous Land Corporation		4,038,109	54,713,000
Suppliers	8	-	128,900
Value of assets sold investments		504,347,853	498,894,279
Write-off of Asset		-	10,000
Interest to the Commonwealth		364,405	4,219,977
Other		431,626	-
<b>Expenses from ordinary activities</b>		<b>509,181,993</b>	<b>557,966,156</b>
<b>Net surplus / (deficit) from ordinary activities</b>		<b>98,038,592</b>	<b>67,926,430</b>
Net credit to asset revaluation reserve	6	3,167,918	(23,197,344)
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		<b>3,167,918</b>	<b>(23,197,344)</b>
<b>Total changes in equity other than those resulting from transactions with the Australian Government as owners</b>		<b>101,206,510</b>	<b>44,729,086</b>

This statement should be read in conjunction with the accompanying notes.

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2005*

	Notes	2005 \$	2004 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash		27,167,987	89,349,318
Receivables	5A	18,660,205	13,752,124
Investments	5B	1,472,314,770	1,328,487,033
<b>Total financial assets</b>		<b>1,518,142,962</b>	<b>1,431,588,475</b>
<b>TOTAL ASSETS</b>		<b>1,518,142,962</b>	<b>1,431,588,475</b>
<b>LIABILITIES</b>			
Transfers to the Commonwealth		-	15,789,359
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>15,789,359</b>
<b>Net Assets</b>		<b>1,518,142,962</b>	<b>1,415,799,116</b>
<b>EQUITY</b>			
Contributed equity		433,931,954	432,794,618
Reserves		86,370,683	83,202,765
Accumulated surpluses		997,840,325	899,801,733
<b>TOTAL EQUITY</b>	6	<b>1,518,142,962</b>	<b>1,415,799,116</b>
<b>Current assets</b>		<b>1,019,277,823</b>	<b>202,819,519</b>
<b>Non-current assets</b>		<b>498,865,139</b>	<b>1,228,768,956</b>
<b>Current liabilities</b>		<b>-</b>	<b>15,789,359</b>

This statement should be read in conjunction with the accompanying notes.



**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT**  
**STATEMENT OF CASH FLOWS**

*For the year ended 30 June 2005*

	Notes	2005 \$	2004
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations to the Indigenous Land Corporation		-	54,713,000
Interest on Cash		4,592,641	3,972,288
<b>Total cash received</b>		<b>4,592,641</b>	<b>58,685,288</b>
<b>Cash used</b>			
Transfer to the Indigenous Land Corporation		4,038,109	54,713,000
Supplier Expense		-	128,900
<b>Total cash used</b>		<b>4,038,109</b>	<b>54,841,900</b>
<b>Net cash from / (used by) operating activities</b>	7	<b>554,532</b>	<b>3,843,388</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from investments (maturities and sales)		2,592,936,007	3,827,967,736
Interest on investments		90,914,565	61,078,862
<b>Total cash received</b>		<b>2,683,850,572</b>	<b>3,889,046,598</b>
<b>Cash used</b>			
Purchase of investments		2,731,874,862	3,932,051,374
<b>Total cash used</b>		<b>2,731,874,862</b>	<b>3,932,051,374</b>
<b>Net cash from / (used by) investing activities</b>		<b>(48,024,290)</b>	<b>(43,004,776)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations – contributed equity		-	91,982,000
<b>Total cash received</b>		<b>-</b>	<b>91,982,000</b>
<b>Cash used</b>			
Appropriations – contributed equity		14,711,572	-
<b>Total cash used</b>		<b>14,711,572</b>	<b>-</b>
<b>Net cash from financing activities</b>		<b>(14,711,572)</b>	<b>91,982,000</b>
<b>Net increase / (decrease) in cash held</b>		<b>(62,181,331)</b>	<b>52,820,612</b>
Cash at the beginning of the reporting period		89,349,318	36,528,706
<b>Cash at the end of the reporting period</b>		<b>27,167,987</b>	<b>89,349,318</b>

This statement should be read in conjunction with the accompanying notes.

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

*For the year ended 30 June 2005*

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<b>Note</b>	<b>Description</b>
1	Summary of Significant Accounting Policies
2	Adoption of AASB Equivalents to International Financial Reporting Standards from 2005-2006
3	Commitments & Contingencies
4	Events Occurring after Reporting Date
5	Financial Assets
6	Equity
7	Cash Flow Reconciliation
8	Related Party Disclosures
9	Remuneration of Auditors
10	Special Payments
11	Financial Instruments
12	Appropriations
13	Return of Excess Appropriations Reconciliation
14	Issues Arising from the Audit Qualification

## ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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### Note 1: Summary of Significant Accounting Policies

#### 1.1 Establishment of the Aboriginal and Torres Strait Islander Land Fund Account

The Aboriginal and Torres Strait Islander Land Fund Account (ATSILF) was established by the *Land Fund and Indigenous Land Corporation (ATSIC Amendment) Act 1995*, inserted into the *Aboriginal and Torres Strait Islander Commission Act 1989* to recognise the fact that most Indigenous people will not benefit from the High Court's Mabo (No. 2) decision (*Mabo and Others v Queensland* (No. 2) [1992] HCA 23) and the *Native Title Act 1993* because they were dispossessed of their land and cannot therefore demonstrate the continuous association necessary to prove native title.

An amendment to the FMA Act, constituting the replacement of the Reserved Money Fund by Special Accounts, took effect on 1 July 1999. *The Financial Management Legislation Amendment Act 1999* converted the Land Fund Reserve to a Special Account under section 20(1) of the FMA Act on 1 July 1999. As a consequence, the Land Fund Reserve became known as the Land Fund Account.

From 1 July 2004, the ATSILF was managed by the Aboriginal and Torres Strait Islander Services (ATSIS) on behalf of ATSIC. ATSIS was established 1 July 2004 as an executive agency under the FMA Act.

On 24 March 2005, at the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) under the Aboriginal and Torres Strait Islander Commission Amendment Act 2005, responsibility of ATSILF was transferred to the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA).

#### 1.2 Basis of Accounting

The financial statements are required by section 193H of the *Aboriginal and Torres Strait Islander Act 2005* 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 2005)*);
- 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 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. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard.

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.

## ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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### 1.3 Revenue

#### *Revenues from Government (2003-2004)*

Amounts appropriated for the year are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

#### *Other Revenue*

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset. Interest income is credited directly to the Aboriginal and Torres Strait Islander Land Fund bank account and is subsequently reinvested.

Revenue from disposal of non-current assets is recognised when control of the asset is received by the buyer.

### 1.4 Transactions with the Government as Owner

#### *Equity Injections (2003-2004)*

Amounts appropriated which are designated as 'equity injections' for a year are recognised directly in Contributed Equity in that year.

### 1.5 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. Interest is credited to revenue as it is accrued.

### 1.6 Expenses

#### *(a) Supplier Expense*

The supplier expense relates to a service provided for the Aboriginal and Torres Strait Islander Land Fund Account in relation to specialist investment advice.

#### *(b) Value of Asset Sold Expense*

Expense relating to the value of asset sold is recognised when control of the asset has been received by the buyer.

### 1.7 Investments

## ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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The carrying amount of investments is reviewed annually to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of an investment exceeds the recoverable amount, the asset is written down to the lower amount. Increases or decreases in the carrying amount of investments are credited or debited as appropriate to the Asset Revaluation Reserve.

In assessing recoverable amounts of investments the relevant cash flows have not been discounted to their present value.

Non-current investments have been revalued based on an independent valuation at market value.

### 1.8 Financial Instruments

Accounting policies for financial instruments are stated at note 11. The entity is complying with the requirements of *AAS 33 Presentation and Disclosure of Financial Instruments*.

### 1.9 Taxation

ATSIC, DIMIA and ATSILF is exempt from all forms of taxation, except fringe benefits tax 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.

### Note 2: Adoption of Australian Accounting Standards Board (AASB) Equivalents to International Accounting Standards Board (IASB) Standards from 2005-2006

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005-06. The new standards are the Australian Equivalents to International Financial Reporting Standards (AEIFRS). The international financial reporting standards 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, including reporting periods ending on 30 June 2005.

The purpose of issuing AEIFRS is to enable Australian reporting 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 with AEIFRS will be able to make an explicit and unreserved statement of compliance with international financial reporting standards (IFRS) as well as a statement that the financial report has been prepared in accordance with Australian accounting standards.

AEIFRS contain certain provisions that will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with IFRS, and therefore ATSILF will only be able to assert that the financial report has been prepared in accordance with Australian accounting standards.

*AAS 29 Financial Reporting by Government Departments* will continue to apply under AEIFRS.

## ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Accounting Standard AASB 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards* requires that the financial statements for 2004-05 disclose:

- an explanation of how the transition to AEIFRS is being managed;
- narrative explanations of the key policy differences arising from the adoption of AEIFRS;
- any known or reliably estimable information about the impacts on the financial report had it been prepared using AEIFRS; and

prepared using AEIFRS; and

- if the impacts of the above are not known or reliable estimable, a statement to that effect.

Where an entity is not able to make a reliable estimate, or where quantitative information is not known, the entity should update the narrative disclosures of the key differences in accounting policies that are expected to arise from the adoption of AEIFRS.

The purpose of this note is to make these disclosures.

### *Management of the transition to AEIFRSs*

ATSILF has taken the following steps for the preparation towards the implementation of AEIFRS:

The departmental Audit and Evaluation Financial Statements Sub-Committee is tasked with oversight of the transition to and implementation of AEIFRS. The Chief Financial Officer is formally responsible for the project and reports regularly to the sub-committee on progress against the formal plan approved by the sub-committee.

The plan requires the following key steps to be undertaken and sets deadlines for their achievement:

- All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004.
- System changes necessary to be able to report under AEIFRS, including those necessary to capture data under both sets
- A transitional balance sheet as at 1 July 2004 under AEIFRS was completed and presented to the sub-committee
- An AEIFRS compliant balance sheet as at 30 June 2005 was also prepared during the preparation of the 2004-05 statutory financial reports.
- The 2004-05 balance sheet under AEIFRS will be reported to the Department of Finance and Administration in line with their reporting deadlines.

The plan also addresses the risks to successful achievement of the above objectives and includes strategies to keep implementation on track to meet deadlines.

There are no material changes expected to the ATSILF financial statements as a result of the implementation of AEIFRS.

### *Major changes in accounting policy*

ATSILF believes that the first financial report prepared under AEIFRS i.e. at 30 June 2006, will be prepared on the basis that ATSILF will be a first time adopter under AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards. Changes in accounting policies under AEIFRS are applied retrospectively i.e. as if the new policy had always applied, except in relation to the exemptions available under AASB 1. This means that an AEIFRS compliant balance sheet had to be prepared as at 1 July 2004. This will enable the 2005-06 financial statements to report comparatives under AEIFRS.

A first time adopter of AEIFRS may elect to use exemptions under paragraphs 13 to 25E. When developing the accounting policies applicable to the preparation of the 1 July opening balance sheet, no exemptions were applied by ATSILF

Changes to major accounting policies are discussed in the following paragraphs.

Management's review of the quantitative impacts of AEIFRS represents the best estimates of the impacts of the changes as at reporting date. The actual effects of the impacts of AEIFRS may differ from these estimates due to:

- continuing review of the impacts of AEIFRS on ATSILF's operations;

## ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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- potential amendments to AEIFRS and AEIFRS Interpretations; and
- emerging interpretation as to the accepted practice in the application of AEIFRS and AEIFRS Interpretations.

### *Financial Instruments*

AEIFRS include an option for entities not to restate comparative information in respect of financial instruments in the first AEIFRS report. It is expected that Finance Minister's Orders will require entities to use this option. Therefore, the amounts for financial instruments presented in ATSILF's 2004-05 primary financial statements are not expected to change as a result of the adoption of AEIFRS.

ATSILF will be required by AEIFRS to review the carrying amounts of financial instruments at 1 July 2005 to ensure they align with the accounting policies required by AEIFRS. It is expected that the carrying amounts of financial instruments held by ATSILF will not materially change as a result of this process.

### **Note 3: Commitments and Contingencies**

There were no quantifiable, unquantifiable or remote commitments or contingencies in this period (nil in 2004).

### **Note 4: Events Occurring after Reporting Date**

No events occurred since reporting date that would affect the information as they are presented in this financial report.

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2005	2004
	\$	\$
<b>Note 5: Financial Assets</b>		
<u>Note 5A: Receivables</u>		
Accrued interest	18,660,205	13,752,124
<b>Total receivables</b>	<b>18,660,205</b>	<b>13,752,124</b>

All receivables are current and are not overdue.

Note 5B: Investments

Bank issued transferrable certificates of deposit	815,291,476	79,716,277
Floating rate certificates of deposit	86,688,839	249,089,085
Capital indexed bonds	277,664,595	417,102,293
Nominal bonds	292,669,860	582,579,378
<b>Total investments</b>	<b>1,472,314,770</b>	<b>1,328,487,033</b>

The revaluation of all investments was completed by Westpac Banking Corporation.



**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 6: Equity**

Item	Accumulated Results		Asset Revaluation Reserve		Contributed Equity		TOTAL EQUITY	
	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
Opening balance as at 1 July	899,801,733	831,875,303	83,202,765	106,400,109	432,794,618	352,382,000	1,415,799,116	1,290,657,412
Net surplus / deficit	98,038,592	67,926,430	n/a	n/a	n/a	n/a	98,038,592	67,926,430
Net revaluation increment / (decrement)	n/a	n/a	3,167,918	(23,197,344)	n/a	n/a	3,167,918	(23,197,344)
Equity Return to the Commonwealth	n/a	n/a	n/a	n/a	n/a	(11,569,382)	-	(11,569,382)
Other	n/a	n/a	n/a	n/a	1,137,336	-	1,137,336	-
<b>Transactions with owner:</b>								
Contributions by owner:								
Appropriations (equity injections)	n/a	n/a	n/a	n/a	-	91,982,000	-	91,982,000
<b>Closing balance as at 30 June</b>	<b>997,840,325</b>	<b>899,801,733</b>	<b>86,370,683</b>	<b>83,202,765</b>	<b>433,931,954</b>	<b>432,794,618</b>	<b>1,518,142,962</b>	<b>1,415,799,116</b>

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2005	2004
	\$	\$
<b>Note 7: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows:</b>		
Cash at balance date per Statement of Cash Flows	27,167,987	89,349,318
Statement of Financial Position items – Cash	27,167,987	89,349,318
<b>Reconciliation of net surplus to net cash from operating activities:</b>		
Net surplus / (deficit)	98,038,592	67,926,430
<b>Non-Cash, Financing, or Investing Items</b>		
(Gain) / loss on disposal of investments	(2,152,589)	(1,649,381)
Interest on investments	(90,914,565)	(61,078,862)
Write Down of Assets / Other (Revenues)/ Expenses	491,175	10,000
Interest to the Commonwealth		4,219,977
<b>Changes in Assets and Liabilities</b>		
(Increase) / decrease in net receivables	(4,908,081)	(5,584,777)
<i>Net cash from / (used by) operating activities</i>	<u>554,532</u>	<u>3,843,387</u>

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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	2004	
<b>Note 8: Related Party Disclosures</b>	\$	\$

2003-2004 Note: The Aboriginal and Torres Strait Islander Land Fund Account is administered by ATSIC. For the period ended Year to Date there was one related party transaction. The transaction relates to a service provided for the Aboriginal and Torres Strait Islander Land Fund Account in relation to specialist investment advice.

The related party transaction with ATSIC is as follows:

*Operating Statement*

Supplier Expense	-	128,900
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**Note 9: Remuneration of Auditors**

The remuneration to the Auditor-General for auditing the financial statements for the reporting period has been absorbed by the Aboriginal and Torres Strait Islander Commission and DIMIA.

No other services were provided by the Auditor-General.

**Note 10: Special Payments**

No 'Act of Grace' payments were made during the reporting period.

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*.

No ex-gratia payments were made during the reporting period.

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 11: Financial Instruments**

**Note 11.A: Terms, Conditions and Accounting Policies**

<b>Financial Instrument</b>	<b>Notes</b>	<b>Accounting Policies and Methods (including recognition criteria and measurement basis)</b>	<b>Nature of Underlying Instrument (including significant terms &amp; conditions affecting the amount, timing and certainty of cash flows)</b>
<i>Financial Assets</i>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash at Bank - deposits at call		Deposits are recognised at their nominal amounts.	The entity deposits appropriated funds, surplus funds and interest revenue with a commercial bank at call. Interest is earned on the daily balance at rates based on money market call rates.
Receivables - interest	5A	Interest is credited to revenue as it accrues.	All receivables are with entities external to the Commonwealth and relate to accrued interest on investments or cash at bank.
Investments	5B	Investments are recognised at revalued amounts based on an independent valuation by the Westpac Banking Corporation. Interest is credited to revenue as it accrues.	The entity invests appropriated funds and interest revenue in a range of securities. Interest rates are a mixture of fixed and floating rates.

ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 11: Financial Instruments

Note 11B: Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate			
				1 Year or Less		1 to 5 Years		> 5 Years									
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004		
Cash at bank		\$ 27,167,987	\$ 89,349,318	-	-	-	-	-	-	-	-	-	-	\$ 27,167,987	\$ 89,349,318	0.10	0.33
Receivables	5A	-	-	-	-	-	-	-	-	18,660,205	13,752,124	-	-	18,660,205	13,752,124	-	-
Investments	5B	86,688,839	666,191,379	963,437,106	99,718,077	280,882,230	512,350,078	141,306,595	50,227,500	-	-	-	-	1,472,314,770	1,328,487,033	5.49	4.72
<b>Total</b>		<b>113,856,826</b>	<b>755,540,697</b>	<b>963,437,106</b>	<b>99,718,077</b>	<b>280,882,230</b>	<b>512,350,078</b>	<b>141,306,595</b>	<b>50,227,500</b>	<b>18,660,205</b>	<b>13,752,124</b>	<b>-</b>	<b>-</b>	<b>1,518,142,962</b>	<b>1,431,588,475</b>	<b>5.59</b>	<b>5.05</b>
<b>Total Assets</b>														<b>1,518,142,962</b>	<b>1,431,588,475</b>		

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Note 11C: Net Fair Values of Financial Assets

	2005		2004	
	Total Carrying Amount	Aggregate Net Fair Value	Total Carrying Amount	Aggregate Net Fair Value
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash at bank	27,167,987	27,167,987	89,349,318	89,349,318
Receivables	18,660,205	18,660,205	13,752,124	13,752,124
Investments	1,472,314,770	1,472,314,770	1,328,487,033	1,328,487,033
	<u>1,518,142,962</u>	<u>1,518,142,962</u>	<u>1,431,588,475</u>	<u>1,431,588,475</u>

The net fair values of cash and non-interest-bearing monetary financial assets approximate their carrying amounts.

Note 11D: Credit Risk Exposure

The entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The entity has no significant exposures to any concentrations of credit risk.

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2005	2004
	\$	\$
<b>Note 12: Special Appropriations - Drawdowns</b>		
This amount consists of the following:		
Special appropriation drawdown – annual amount paid to the ILC	-	54,713,000
Special appropriation – capital injection credited to ATSILF	-	91,982,000
	<u>-</u>	<u>146,695,000</u>

This note should be read in conjunction with Note 13 & 14 relating to excess drawdowns of special appropriations. The above amounts disclosed include excess drawdowns, which were returned to the Consolidated Revenue Fund in 2004-2005.

**Note 13: Return of Excess Appropriations Reconciliation**

In 2003-2004, excess appropriations were quantified and incorporated in ATSILF's liabilities. Since the publication of the 2003-2004 financial statements, further work was performed on this quantification and subsequent adjustments were made to the original amount. The adjustments were made in 2004-2005 and are detailed below.

<b>Appropriations (credits to ATSILF):</b>	\$
Excess appropriations quantified in 2003-2004 financial statements	11,569,382
Subsequent quantification	10,432,046
Difference: Re-adjustments in Equity 2004-2005*	<u>1,137,336</u>
<b>Interest:</b>	
Interest Earned on Excess Appropriations quantified in 2003-2004 financial statements	4,219,977
Subsequent quantification	3,915,121
Difference: Re-adjustments in Statement of Financial Performance in 2004-2005**	<u>304,856</u>

\* In 2003-2004, the excess appropriation quantified was adjusted in equity. Therefore, the difference resulting from the subsequent quantification was re-adjusted in equity in 2004-2005.

\*\* In 2003-2004, the interest portion quantified was raised against expenses. Therefore, the difference resulting from the subsequent quantification was re-adjusted in the Statement of Financial Performance in 2004-2005.

The excess appropriation amount of \$10,432,046. was returned to the Consolidated Revenue Fund on 20 December 2004. The interest portion amount of \$3,915,121.00 was returned to the Consolidated Revenue Fund on 10 January 2005.

As the excess appropriation amount remained in ATSILF between 1 July 2004 and the return date (20 December 2004), interest was also earned on this amount in 2004-2005. The amount was quantified to be \$364,405.00 and was also returned to the Consolidated Revenue Fund, on 17 January 2005.

## ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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### Note 14: Issues Arising from the Audit Qualification (2003-2004)

#### Excess Drawdowns

An audit by ANAO of the Financial Management of Special Appropriations, including ATSILF, was undertaken in 2003-2004. This audit included a review of the indexation factor applied to the Land Fund as provided by section 193D of the Aboriginal and Torres Strait Islander Commission Act 1989.

The audit identified a discrepancy in the indexation rate applied that has resulted in excess appropriations being transferred to the Land Fund, within the Consolidated Revenue Fund, and on-paid to the Indigenous Land Corporation under s193A, and the Aboriginal and Torres Strait Islander Commission under s193B of the Aboriginal and Torres Strait Islander Commission Act 1989, in breach of :

- a) Administering legislation; and
- b) Section 83 of the Constitution.
- c) Section 48 of the Financial Management and Accountability Act 1997

Refer to Note 13 for details of the return of excess appropriations

#### Investments

An audit by the ANAO of the Investment of Public Monies in 2003-2004 identified that ATSILF held investments that did not meet the definition of an authorised investment under s.39 of the Financial Management and Accountability Act 1997, in breach of:

- a) Section 39 of the Financial Management and Accountability Act 1997;
- b) Section 83 of the Constitution; and
- c) Section 48 of the Financial Management and Accountability Act 1997.

During 2004-2005 ATSILF exited out of the investments that did not meet the definition of an authorised investment under s.39 of the Financial Management and Accountability Act 1997



## Outcome 5

Outcome Five seeks *effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander peoples.*

This outcome was transferred from Aboriginal and Torres Strait Islander Services (ATSIS) and reflected the former responsibilities of that agency. Most outputs associated with this outcome were either no longer relevant in 2004–05 or transferred to other agencies. Certain outputs continued but were collapsed to form the flexible funding pool supporting the implementation of Shared Responsibility Agreements (SRAs), and are not reported separately below. The diagram below indicates the status of Outcome 5 outputs in 2004–05.

Figure 92: Outcome 5—Output schedule



The supporting departmental sub-outputs, administered by the OIPC and the Office of the Registrar of Aboriginal Corporations were:

- 5.1.9 Repatriation
- 5.2.3 Professional Services to Native Title Claimants
- 5.2.4 Advancement of Rights to Land and Sea
- 5.2.6 Aboriginal Women and Torres Strait Islander Women
- 5.2.7 Public Information
- 5.5.4 Incorporation, Regulation and Building Capacity of Indigenous Corporations.

A further measure affecting this outcome, Indigenous Australians—Better Service Delivery, relates to the Australian Government's new arrangements in Indigenous affairs from 1 July 2004. The department's role in relation to the new arrangements is mainly reported under Outcome 3 and under the Administered Items below relating to Shared Responsibility Agreements.

## 5.1.9 REPATRIATION

Figure 93: Performance information—Repatriation

MEASURES	RESULTS
<b>Quantity:</b>	
100 sets of human remains and/or objects of significance documented and provenanced.	Details of 83 human remains were documented from contacts with 16 institutions in the United Kingdom (UK).
25 sets of human remains and/or objects of significance repatriated to Australia.	24 sets of human remains were secured from overseas, of which 20 have been returned to Australia.
Two repatriation agreements formalised with overseas governments or holding institutions.	Formal agreements were finalised to repatriate human remains from Exeter (UK) and Stockholm (Sweden); and negotiations began with six other UK institutions.
<b>Quality:</b>	
Effective consultation with, and involvement of, Aboriginal and Torres Strait Islander custodians in the process of documenting, provenancing and returning ancestral remains and significant objects from overseas.	25 communities were consulted about ancestral remains related to their communities, and an Indigenous delegation representing four regions was funded to bring back remains from Sweden.

### Objective

To provide advice to government on matters relating to international repatriation and to document, provenance and repatriate Indigenous human remains held by museums, galleries, universities and other collecting institutions overseas.

### Description

Typical activities that may be funded by the Repatriation Program include:

- research to establish the provenance of remains
- the preparation of relevant documentation
- consultations with traditional custodians on their wishes in relation to repatriation
- the return of remains to communities of origin
- resources/infrastructure requirements in the community to manage the return—for example, a temporary keeping place and/or sites for burial/reburial
- ceremonies around return to country for maximum community involvement.

OIPC inherited from ATSIC–ATSIS the role of progressing the key intentions contained in the Prime Ministerial Joint Statement on Aboriginal Remains, released by the

Prime Ministers of Australia and the UK in July 2000. This statement commits both governments to facilitating the return of Indigenous human remains from public collecting institutions in the UK.

### Analysis of performance

The Repatriation Program secured the remains of 24 individuals: 20 from the Museum of Ethnography in Stockholm, Sweden, and four from the Royal Albert Memorial Museum and Art Gallery in Exeter, UK. OIPC worked closely with the Department of Foreign Affairs and Trade to secure these returns.

In the case of the Swedish repatriation a delegation of traditional custodians from four regions, Kimberley, WA; Urandangie, QLD; Wallaga Lake, NSW; and Camperdown, VIC; accompanied the remains on their return journey. A documentary was produced entitled *Closing the circle: The return of Indigenous human remains from Sweden*. It has since been shown at seminars with museums and in the department's Reconciliation Week activities and is expected to be used widely for community education in the Kimberley.

OIPC officials visited the UK in January and April 2005 and established formal relationships with 21 UK museums as a basis for negotiating the return of a minimum of 588 human remains.

The National Museum of Australia (NMA) was funded for the care and management of remains returned to Australia. This included the temporary care of remains needing to be provenanced, the return of remains to communities, and the care of remains on behalf of communities or of those remains that cannot be provenanced. At 30 June 2005, 554 remains were managed by the NMA under this contract.

Through inter-departmental committees involving the Department of the Prime Minister and Cabinet, Department of Foreign Affairs and Trade, Department of Communications, Information Technology and the Arts, and Department of the Environment and Heritage, OIPC led and coordinated:

- the Australian Government's formal response to the report of the UK Working Group on Human Remains, which dealt with the powers of museums to return human remains in their collections
- ministerial comments on the UK Draft Code of Practice for the Care of Human Remains in Museums
- the scoping and preparation of a whole-of-government policy and strategy for managing the return of Indigenous human remains from overseas. This will be completed in 2005–06.

The Repatriation Program made a significant contribution to the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) Conference 2004 on issues in Indigenous studies by delivering a well-attended session on repatriation where policies and practices were debated.

### 5.2.3 PROFESSIONAL SERVICES TO NATIVE TITLE CLAIMANTS

Figure 94: Performance information—Professional services to native title claimants

MEASURES	RESULTS
<b>Quantity:</b>	
Provision of native title services to 100% of Australia.	Professional services were delivered to native title claimants in the 17 representative areas throughout Australia. Program performance improvements continued to be implemented.
<b>Quality:</b>	
Range and effectiveness of native title services delivered.	OIPC funded native title professional services delivery to Indigenous Australians in accordance with the requirements of the <i>Native Title Act 1993</i> . Significant support was provided to improving the quality of professional services through coordination and capacity building initiatives and to ensuring speedier resolution of native title through strategic priority claims funding.

#### Objective

To provide acceptance and recognition of the collective rights of Aboriginal and Torres Strait Islander people as original custodians of Australia.

#### Description

The Professional Services to Native Title Claimants Program (the program) funds Native Title Representative Bodies (NTRBs) to provide professional services to Aboriginal and Torres Strait Islander people to pursue the recognition and protection of native title under the *Native Title Act 1993* (the Act). NTRB functions and powers are detailed under the Act, and involve support to native title holders to make various applications under the Act. These include claimant, objection, future act and compensation applications. NTRBs also play a role in negotiating Indigenous Land Use Agreements (ILUAs).

Funding was provided to 15 NTRBs recognised under the Act by the Minister, and to two non-recognised bodies providing services in accordance with the Act in the representative areas of New South Wales and Victoria. A map providing information on NTRBs and their representative areas is at page 297.

In 2004–05, OIPC also administered the final year of additional funding announced in the 2001 Budget to ensure the speedier resolution of native title claims.



Figure 96: NTRB funding, 2004–05

NTRB	Amount (\$)
Gurang Land Council	1 938 000
Queensland South Representative Body	1 609 000
Cape York Land Council	3 386 400
Carpentaria Land Council	2 958 000
Central Queensland Land Council	2 610 500
North Queensland Land Council	2 254 200
Aboriginal Legal Rights Movement	2 703 000
Goldfields Land and Sea Council	3 018 000
Ngaanyatjarra Council	2 562 750
South West Aboriginal Land and Sea Council	3 038 900
Yamatji Marlpa Barna Baba Maaja	5 397 870
Kimberley Land Council	3 660 391
Northern Land Council	2 563 540
Central Land Council	2 295 000
Native Title Services Victoria	2 517 930
New South Wales Native Title Services	3 348 493
<b>Total</b>	<b>45 861 974</b>

Figure 97: Additional Australian Government funding for Capacity Building Program (CBP) and Strategic Priority Claims Resolution Program (SPCRP)

	2001–02	2002–03	2003–04	2004–05
CBP	\$2.4m	\$3.4m	\$3.6m	\$2.2m
SPCRP	\$0.5m	\$1.5m	\$2.5m	\$1.5m
<b>Total</b>	<b>\$2.9m</b>	<b>\$4.9m</b>	<b>\$6.1m</b>	<b>\$3.7m</b>

### Native title outcomes

At 30 June 2005, there were 1650 active native title claims, consisting of 1386 claimant, 232 non-claimant and 32 compensation applications. In 2004–05 native title determinations included:

- De Rose Hill, SA—Litigated determination, 9 June 2005
- Djabugay People, QLD—Consent determination, 17 December 2004
- Erubam Le (Darnley Islanders), QLD (Torres Strait)—Consent determination, 24 May 2005
- Gebara Islanders, QLD (Torres Strait)—Consent determination, 13 December 2004
- Karajarri People, WA—Consent determination, 8 September 2004
- Kulkalgal People, QLD (Torres Strait)—Consent determination, 7 December 2004
- Ngaanyatjarra Lands, WA—Consent determination, 29 June 2005
- Ngarluma/Yindjibarndi, WA—Litigated determination, 2 May 2005
- People of Boigu Island, QLD (Torres Strait)—Consent determination, 24 May 2005
- Ugar (Stephens Island), QLD (Torres Strait)—Consent determination, 24 May 2005
- Wanjina-Wunggurr Willinggin, WA—Litigated determination, 27 August 2004
- Wik and Wik Way, QLD—Consent determination, 24 March 2005
- Yam Islanders/Tudulaig People, QLD (Torres Strait)—Consent determination, 24 May 2005.

### Queensland South Representative Body Aboriginal Corporation

On 23 June 2005, the Minister announced the withdrawal of recognition of the Queensland South Representative Body Aboriginal Corporation (QSRB) as an NTRB for the Queensland South Area as it was unable to demonstrate the capacity to continue to perform its required functions under the Act. On 28 June 2005, a new body, Queensland South Native Title Services Ltd, was funded to provide native title services to claimants in the South Queensland region following the Minister's decision.

### Agreements

A significant increase in the number of Indigenous Land Use Agreements was registered with the National Native Title Tribunal (NNTT) in the reporting period. Statistics show the number of ILUAs has risen from 137 at 30 June 2004 to 184 at 30 June 2005.



## Strategic Priority Claims Resolution Program

Funds for the SPCR Program were provided over four financial years from 2000–01 concluding in 2004–05 to support determinations by the Federal Court of nationally significant native title applications.

In 2004–05 funding of \$1.5 million was provided to assist the following applicants:

- the Aboriginal Legal Rights Movement, to assist in reaching agreement with the South Australian Government and pastoralist for a determination of native title in relation to the De Rose Hill claim
- the Central Land Council, for Federal Court proceedings for the Yulura compensation claim
- the Northern Land Council, for settlement of extinguishment issues associated with native title claim applications over township areas in the Northern Territory
- the Yamatji Marlpa Barna Baba Maaja Land and Sea Council, for litigation in relation to the Ngaluma Yindjibarndi case
- the South West Aboriginal Land and Sea Council, to advance settlement of the One Nations Noongar native title claim which has the capacity to resolve native title issues across the south-west of Western Australia
- the Goldfields Land and Sea Council, to progress a number of key native title claim applications.

## Capacity Building Program

The available funding for the capacity building component in 2004–05 was \$2.2 million. These funds were spent on:

- corporate governance training courses delivered to a number of NTRBs
- a research project to assess the professional needs of NTRB legal officers
- a project to develop access pathways for accredited training courses for NTRB staff
- a technical workshop for Chief Financial Officers from all native title service providers
- a project on salary levels and ranges in NTRBs examining the issues of organisational diversity and the associated challenges of diverse operating environments, organisational size, geographic conditions, work loads, and the availability and access to suitable staff.

## Collaborative relationships and research

Financial support for the Indigenous Facilitation and Mediation Project (IFaMP) continued. The program also continued to fund the University of Melbourne for development of the Agreements, Treaties and Negotiated Settlements (ATNS) database.

## Native Title Research Unit—AIATSIS

The Native Title Research Unit (NTRU) in the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) received \$850 000 in 2004–05. The NTRU aims to provide responsive research, information and other services to native title stakeholders. The NTRU delivered a range of outputs in 2004–05 including native title newsletters, current issues papers, discussion papers, workshops, seminars and forums. The NTRU significantly redeveloped its website (accessed through [www.aiatsis.gov.au](http://www.aiatsis.gov.au)) which provides a resource for native title practitioners and interested parties.

### Program management

OIPC has focused on the continued implementation of the recommendations of the review of the NTRB system commissioned by the Minister in 2002. In particular, we implemented recommendations pertaining to NTRBs’:

- funding procedures
- operational planning and improved data collection
- reporting requirements

to enable improved program evaluation and analysis of outcomes and comparative data across the NTRB system in 2005–06.

In April 2005, OIPC conducted an NTRB Chief Executive Officer forum focusing on a number of program improvement issues. The technical workshop for Chief Financial Officers focused on program requirements, in particular, the Program Funding Agreement, with a view to improving on the agreement over 2005–06.

In 2004–05 OIPC conducted performance audits in the Kimberley Land Council, the South West Aboriginal Land and Sea Council, the Northern Land Council, the Carpentaria Land Council, and the Aboriginal Legal Rights Movement. An inspection of Cape York Land Council was undertaken under subsection 203DF(1) of the *Native Title Act 1993*.

## 5.2.4 ADVANCEMENT OF RIGHTS TO LAND AND SEA

Figure 98: Performance information—Advancement of rights to land and sea

MEASURES	RESULTS
<b>Quantity:</b>	
Compliance with legislative obligations.	<p><i>Aboriginal Land Rights (Northern Territory) Act 1976 (ALR Act)</i>—Timely and accurate briefs were provided to the Minister in relation to the grant of land, mining matters, appointments to Aboriginal land trusts and leases of Aboriginal land, as well as in relation to reports by the Aboriginal Land Commissioner. Four land claims were progressed.</p> <p><i>Aboriginal Land Grant (Jervis Bay Territory) Act 1986 (JBT Act)</i>—Wreck Bay Aboriginal Community Council (WBACC) effectively and legally exercised its powers and functions, except for late lodgement of its 2003–04 annual report.</p> <p><i>Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987 (LCF Act)</i>—Relevant Aboriginal corporations complied with the Act.</p>
<b>Quality:</b>	
Effectiveness of measures that recognise Indigenous land and sea rights, in providing these rights and in delivering outcomes for Indigenous people.	<p>ALR Act—Nearly 45 per cent of the Northern Territory is now Aboriginal land, yielding revenue from permits, mining tenements, leases and payments received from the Crown for use of land.</p> <p>JBT Act—WBACC holds secure freehold title to over 92 per cent of the JBT, yielding revenue from fees for entry to Booderee National Park and tourism in the park, through rental of residential housing, and through service delivery contracts by Wreck Bay Enterprises Ltd.</p> <p>LCF Act—Relevant Aboriginal corporations controlled and managed Aboriginal land, yielding revenue through tourism and related business opportunities.</p>

### Objectives

To:

- provide advice to government on matters relating to Commonwealth land rights legislation (CLR) and the grant of land to Indigenous people under CLR
- to support the Aboriginal Land Commissioner (ALC) in resolving outstanding land claims in the Northern Territory as quickly as possible
- to review and implement better planning, funding and accountability practices within Aboriginal bodies administering CLR in all jurisdictions.

## Description

OIPC assists the Minister in the administration of three Commonwealth Acts:

- *Aboriginal Land Rights (Northern Territory) Act 1976* (ALR Act)
- *Aboriginal Land Grant (Jervis Bay Territory) Act 1986* (JBT Act)
- *Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987* (LCF Act).

This includes issues arising in the context of claims to, and management of, Aboriginal land under CLR.

## Analysis of performance

### ALR Act

The Land Rights Program (the program) significantly assisted the ALC in hearing and reporting on outstanding land claims. No claims were settled in the reporting period, but significant steps were taken towards settlement of at least six claims in 2005–06.

In particular, the program helped key stakeholders, including the Northern Territory Government and land councils, make significant progress in the settlement of four outstanding land claims:

- Borroloola No.2 and Alcoota via the land claims process
- Loves Creek and Yirrwalalay via the agreement-making process.

The program funded timely and effective surveys that facilitated this progress.

The ALC's Report (No.68) into the Upper Roper River Land Claims was tabled in the House of Representatives on 2 June 2005 and the Senate on 14 June 2005.

Timely appointment of members and chairpersons was made to 36 Aboriginal Land Trusts, established under section 4 of the ALR Act to hold title to Aboriginal land granted under the ALR Act.

OIPC provided extensive briefing to the Minister advising on the administration of the mining provisions under Part IV of the ALR Act and leases and other agreements made under Part II of the Act.

### JBT Act

The program assisted the inter-departmental committee (IDC) on the Jervis Bay Territory Land Claim. The claim lodged by the Wreck Bay Aboriginal Community Council (WBACC) under section 9 of the JBT Act is for the remaining 8 per cent of land in the territory. Recommendations on this claim are likely to be submitted to the Minister in 2005–06. Implementation of the key recommendations and performance indicators, specified in the report from the 2003 review of WBACC, has commenced. A number of the recommendations and key performance indicators were incorporated into the funding agreement to be provided to WBACC for 2005–06.

## LCF Act

Based on the 2000 and 2002 Kauffman/Andrews reports concerning the Winda Mara Aboriginal Corporation at Lake Condah and the Framlingham Aboriginal Trust at Framlingham Forest, the program developed key performance indicators to specify 'deliverables' by both organisations for 2005–06 program funding.

## Anangu Pitjantjatjara and Maralinga Tjarutja funding

The program provided funding to Anangu Pitjantjatjara and Maralinga Tjarutja under an agreement between South Australia and the Commonwealth to help them manage lands granted to them under South Australian legislation. Program funding of Anangu Pitjantjatjara was reviewed by the Office of Evaluation and Audit and a report submitted to the Minister on 31 August 2004, with significant input from the program. Some of the report's recommendations were included in key performance indicators developed for Anangu Pitjantjatjara's 2005–06 funding. Key performance indicators were also developed for Maralinga Tjarutja funding in 2005–06.

## 5.2.6 ABORIGINAL WOMEN AND TORRES STRAIT ISLANDER WOMEN

Figure 99: Performance information—Aboriginal Women and Torres Strait Islander Women

MEASURES	RESULTS
<b>Quantity:</b>	
2 000 participants.	20 000 (estimated)
10 events and activities.	320 (estimated)
5 publications.	5 (estimated)
70 structured skills development participants.	150 (estimated)
<b>Quality:</b>	
The ability of the events, activities and publications to empower and/or inform Aboriginal and Torres Strait Islander women.	Events, activities and publications funded through this program are developed locally in response to the issues and objectives identified by Indigenous women.

### Objective

To:

- support women to undertake leadership and management roles
- address priority issues for women, including violence, young girls' health, women in jail and their children, improved capacity to nurture, and the education of children and youth
- strengthen women's networks
- improve links between women's organisations and other agencies
- ensure Indigenous women are better informed about and have better access to relevant services
- maintain Indigenous women's cultural traditions and ensure they are used for the betterment of Aboriginal and Torres Strait Islander people.

### Description

The Indigenous Women's Program (IWP) seeks to recognise, develop and promote Aboriginal and Torres Strait Islander women's perspectives in all policy and program development in relevant forums. Projects funded through Indigenous Coordination Centres (ICCs) are developed by Indigenous organisations to align with the IWP objectives after consideration of the needs and aspirations of local Indigenous women.

## Analysis of performance

In 2004–05, 109 grants were provided under the IWP. Some grants funded a single event or activity, while others funded a range of activities benefiting large numbers of local women. The activities varied across Australia. Some examples of projects funded in 2004–05 were:

- in regional Victoria, women’s camps to strengthen women’s cultural traditions and focus on relevant life issues, strengthen relationships, and transfer skills and knowledge through role models
- in Tennant Creek, NT, a women’s centre to conduct community surveys on social needs and a range of workshops to respond to the identified needs including cultural training, language development, nutrition and life skills
- in Brisbane, QLD, a women’s resource centre to promote improved coordination between the community and service agencies dealing with social issues, to increase the numbers of Indigenous women accessing mainstream services, and to support young women in the development of life skills and cultural knowledge.

## 5.2.7 PUBLIC INFORMATION

Figure 100: Performance information—Public information

MEASURES	RESULTS
<b>Quantity:</b>	
Information and awareness activities undertaken by type of activity, including: media releases distributed, interviews conducted and media coverage obtained; speeches delivered; publications, radio programs and videos produced and distributed; promotional materials produced and distributed; promotional events organised; hits on the website recorded; and requests for information met.	These measures refer to the responsibilities of ATSISS to ATSIIC and these ATSIIC activities were not supported in 2004–05.
100 public information and awareness activities supported.	160
<b>Quality:</b>	
Range and quality of information materials produced and media outlets utilised.	See above—these activities for ATSIIC were not supported in 2004–05.
Range and quality of public information and awareness activities organised.	Successful NAIDOC Week celebrations and activities were held in Indigenous communities across Australia.

### Objective

To:

- promote to the wider community an understanding of, and respect for, Aboriginal and Torres Strait Islander cultures
- encourage in the wider community the development of positive attitudes towards Indigenous Australians
- inform the wider community about contemporary issues that affect Aboriginal and Torres Strait Islander individuals and communities.

### Description

The Public Information Program has two elements:

- public awareness, which funds selected activities capable of reaching a significant audience of non-Indigenous people
- National Aborigines and Islanders Day Observance Committee (NAIDOC), which funds the annual Indigenous community celebrations during NAIDOC Week (first full week in July).



## Analysis of performance

160 Public Information Program grants were made, totalling \$2.6 million. The majority of program funds were provided to community organisations for a wide variety of local events and activities across Australia to celebrate NAIDOC Week 2005. NAIDOC Week ran from 3 to 10 July in 2005 but, as in past years, most work preparing for it was undertaken during the year under review.

In addition, OIPC funded National NAIDOC celebrations, including the annual poster competition, and NAIDOC Awards and Ball, held this year in Adelaide, SA. OIPC staff provided organisational support for the Indigenous committee, based in Adelaide, which oversaw this year's event. The Indigenous committee chose the theme for NAIDOC 2005 ('Our Future Begins with Solidarity'), and judged the various awards. The NAIDOC Awards and Ball was attended by 1000 people, and was acclaimed by many participants as the best ever.

Significant events supported by the Public Awareness element included:

- the Garma Festival, an annual celebration of the Yolngu culture of north-east Arnhem Land, NT, which promotes sharing of culture and knowledge between Indigenous Australians and the wider community
- the Croc Festival, held in several locations around Australia to promote healthy lifestyle choices among young people
- recording of a funeral ceremony for the film *Story about feeling*, about 'Kakadu Man' Bill Neidjie
- performance by the Bangarra Dance Theatre at the 150th anniversary celebrations of the Botanic Gardens and State Herbarium in Adelaide, SA.

### 5.5.4 INCORPORATION, REGULATION AND BUILDING CAPACITY OF INDIGENOUS CORPORATIONS

Figure 101: Performance information—ORAC

MEASURES	RESULTS
<b>Quantity:</b>	
<p>Accessible incorporation for Indigenous groups:</p> <ul style="list-style-type: none"> <li>• 2650 corporations incorporated under the <i>Aboriginal Councils and Associations Act 1976</i>.</li> </ul>	<p>Number of registered corporations dropped by 128 (almost 5 per cent) to 2585, in line with Office of the Registrar of Aboriginal Corporations (ORAC) and others' emphasis on promoting responsible and necessary incorporation (see page 323).</p>
<p>Enhanced training in corporate governance:</p> <ul style="list-style-type: none"> <li>• 70 days of non-accredited training</li> <li>• 150 days of accredited training including Certificate IV in Business (Governance) and Diplomas.</li> </ul>	<p>46.5 one-day and half-day information sessions plus eight three-day introductory workshops, making a total of 70.5 days. Sessions were attended by more than 600 people in total.</p> <p>Eight accredited courses delivered in four five-day blocks (160 days). 57 graduates received their Certificate IV in Business (Governance) in the year to 30 June 2004.</p> <p>This training is a rolling program (see page 329).</p>
<p>Increased early diagnosis of corporation problems:</p> <ul style="list-style-type: none"> <li>• 50 examinations or similar reviews.</li> </ul>	<p>61 examinations were conducted, an increase of 13 per cent on 2003–04. Corporations for examination were selected in response to evidenced problems or as part of a program of rolling examinations responding to risk analysis involving criteria such as size, purpose, time since last examination, compliance status and history of member or other complaints (see page 325 and Attachment 4).</p>
<b>Quality:</b>	
<p>Corporations are compliant with reporting requirements under the <i>Aboriginal Councils and Associations Act 1976</i>.</p>	<p>Compliance against the three key reports at the end of the period was 40 per cent, an improvement over the year of 7 per cent. This improvement is a result of ORAC analysing non-compliance and implementing a plan for appropriate follow up (see page 326). The Corporations (Aboriginal and Torres Strait Islander) Bill 2005 when enacted will further help reduce non-compliance.</p>
<p>Quality support to the minister including timeliness for responses to ministerial correspondence.</p>	<p>Key support provided for the development of the Corporations (Aboriginal and Torres Strait Islander) Bill 2005, and the Bill was successfully introduced in June 2005.</p>

## Objective

To support the delivery of incorporation, regulation and related services for Indigenous people in accordance with the *Aboriginal Councils and Associations Act 1976* (ACA Act). Delivery is consistent with the special needs, requirements and risks of Indigenous corporations and within the context of current and emerging Australian and international practice on sound corporate governance.

## Description

The ACA Act establishes the Registrar of Aboriginal Corporations, an independent statutory office holder appointed by the Minister for Immigration and Multicultural and Indigenous Affairs. Ms Laura Beacroft, a solicitor, appointed to the position from 1 August 2002 for three years, has been reappointed for a further two years to 31 August 2007.

Through the Office of the Registrar of Aboriginal Corporations (ORAC), the Registrar administers the ACA Act. Currently the ACA Act provides some scope for flexible incorporation in line with cultural practices. It also provides for active monitoring and regulation of Indigenous corporations, which pose special risks and have special requirements in some cases.

ORAC provides a wide range of integrated services to corporations associated with the ACA Act including: pre-incorporation, incorporation, monitoring and examination, regulation, dispute assistance, members' complaints services, inquiries, searches of the Public Register and training (see Figure 102, ORAC's key roles).

Following a review of the ACA Act in 2002, the Corporations (Aboriginal and Torres Strait Islander) Bill 2005 was introduced into the Australian Parliament on 23 June 2005.

If agreed to by the Parliament, the Bill will commence on 1 July 2006, replacing the ACA Act. Some parts of the Bill are likely to start after that date to make it easier for corporations to switch over to it.

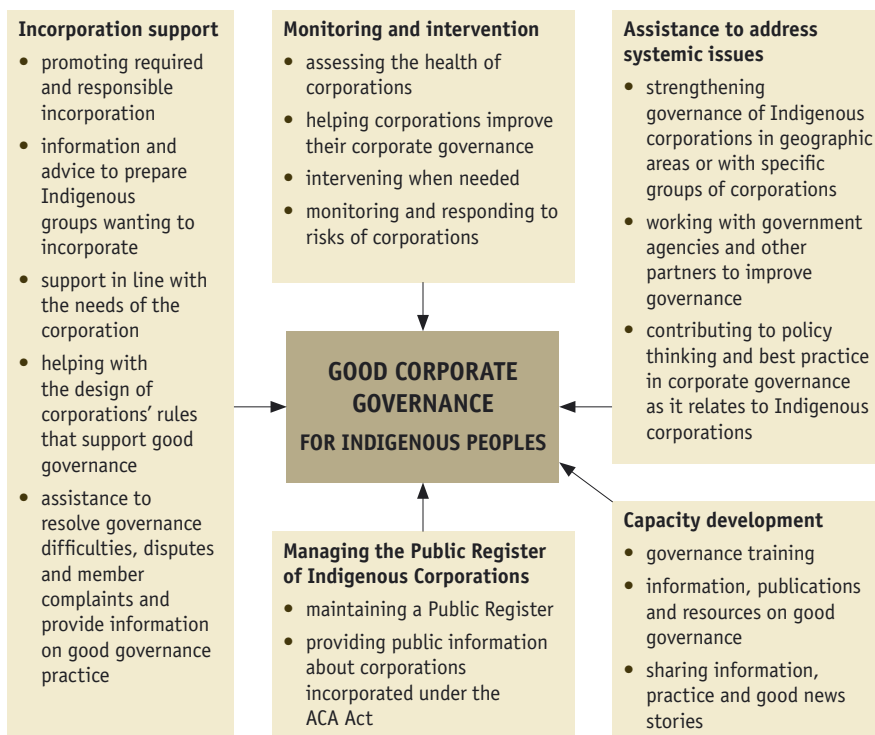
Consistent with the key recommendation of the review, the Bill—like the ACA Act—is a special incorporation law designed to meet the needs of Indigenous people (see Attachment 13).

Incorporation under the ACA Act is largely voluntary. However, some corporations—for example, the prescribed bodies corporate established through the *Native Title Act 1993*—are required to incorporate under the ACA Act. While many corporations governed by Indigenous people are incorporated under the ACA Act, a significant number are not and are under state/territory and other Commonwealth legislation.

ORAC performs its functions and provides its services nationally to all levels of government, other agencies and people with an interest in Indigenous corporations. ORAC works closely with other regulating bodies to maximise coordination and

alignment. The ACA Act establishes a third arm to the Commonwealth's role in overseeing corporations, the other two being the Australian Securities and Investments Commission under the *Corporations Act 2001* and the Australian Competition and Consumer Commission under the *Trade Practices Act 1974*.

Figure 102: ORAC's key roles



### Powers of the Registrar

The ACA Act vests the Registrar with powers to intervene in a corporation's affairs, similar to those exercised by the Australian Securities and Investments Commission.

Some of the Registrar's powers require ministerial approval before they can be exercised. As a Statutory Officer, the Registrar is not under direction for decisions made under the ACA Act. The Registrar aims to exercise powers and functions in accordance with the ACA Act, in a manner that responds to the requirements and the risks of Indigenous corporations and which builds independence and capacity of Indigenous individuals, groups and corporations.

See Attachment 1 for a summary of the Registrar's regulatory powers.

## Relationships with agencies

### Relationship to Office of Indigenous Policy Coordination (OIPC)

The Registrar and staff of ORAC are employees of the Department of Immigration and Multicultural and Indigenous Affairs. Funding for ORAC (\$6.87 million for 2004–05) is within the OIPC appropriation and is not quarantined.

The Registrar is a member of the OIPC Corporate Leadership Group for the purposes of participating in decisions on administrative matters. Various arrangements were in place, including an in-principle agreement, to enable ORAC and OIPC to manage possible conflicts of interest. A formal agreement will be put in place to support the Registrar and ORAC's placement within the department, consistent with the Uhrig report. This report, conducted by John Uhrig and released by the government in August 2004, recommended a broad template of governance principles and arrangements that the government could extend to statutory authorities and office holders. It sets out measures for ensuring the boundaries of responsibilities are better understood and clarifies the relationship between Australian Government authorities, ministers and portfolio departments.

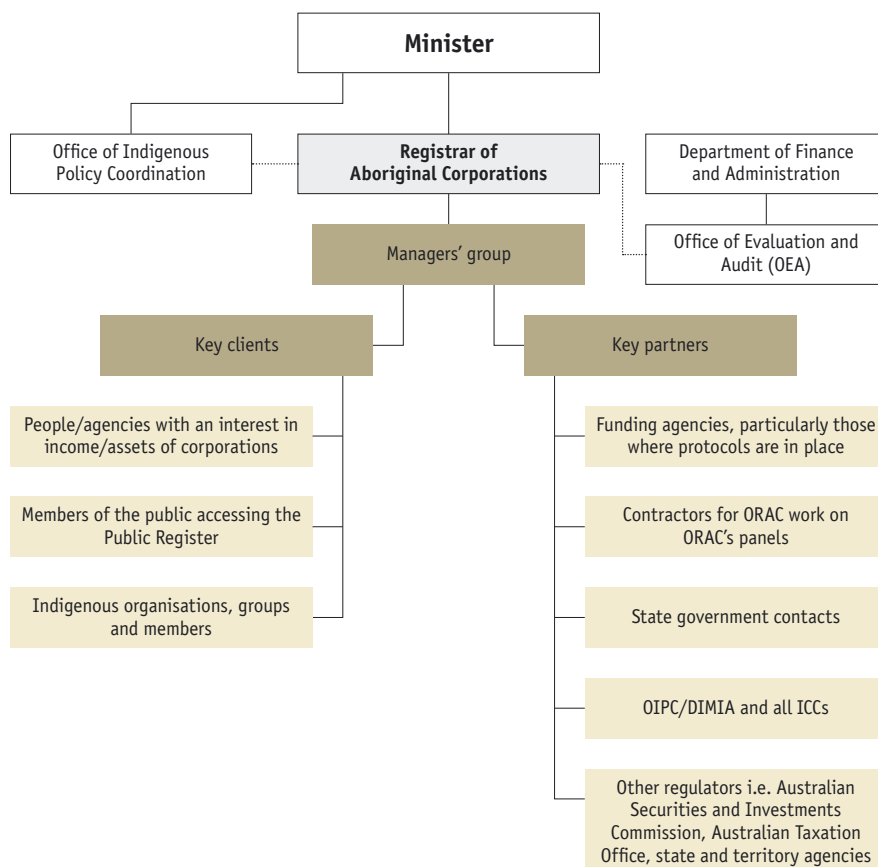
### Relationship with other agencies

ORAC's primary clients are individuals, groups and corporations linked to the ACA Act and also users of the Public Register maintained by ORAC on Indigenous corporations incorporated under the ACA Act. ORAC builds close working relations with agencies that have an interest in the funds and/or assets held by corporations. ORAC also works with state and territory government agencies to improve outcomes for Indigenous people across Australia (see Figure 103).

In recent years ORAC has developed a relationship with the Australian Securities and Investments Commission (ASIC) and the state/territory incorporation and regulation agencies to foster better coordination nationally of incorporation and regulation services and responses. ORAC and ASIC agreed in principle to a Memorandum of Understanding (MOU) during the year, which will be finalised once the Corporations (Aboriginal and Torres Strait Islander) Bill 2005 has commenced.

ORAC's focus is on identifying and targeting systemic issues for Indigenous corporations and building closer relationships with the following agencies for this purpose: the Australian Taxation Office, agencies linked to the Council of Australian Government (COAG) whole-of-government trial sites, individuals and agencies involved in corporate governance training, and state/territory government agencies, particularly in Queensland, Northern Territory and Western Australia.

Figure 103: ORAC's key relationships

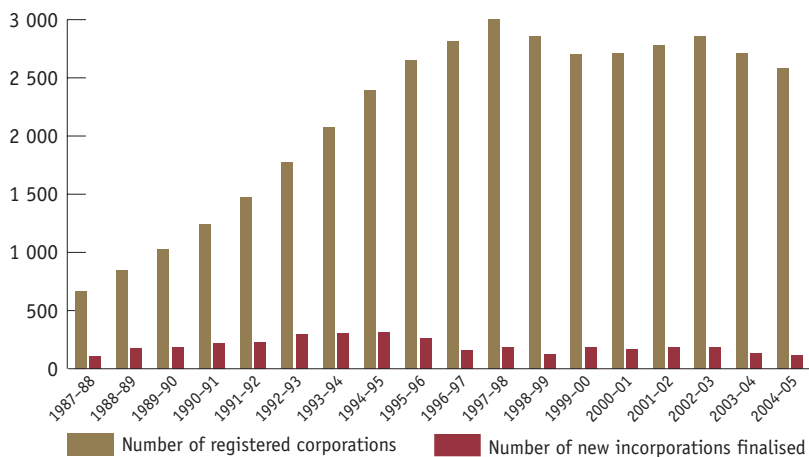


## Performance of Indigenous corporations

### Profile of corporations incorporated with ORAC

At the end of 2004–05, 2585 corporations were registered under the ACA Act. This is a targeted reduction of nearly 5 per cent in line with a new emphasis on ‘responsible and necessary incorporation’. After rapid growth in Indigenous corporations under the ACA Act in the early 1990s, the number of incorporations annually remained steady for some years and has now started to decline with the new emphasis (see Figure 104). It is estimated that at least as many Indigenous corporations are incorporated under other legislation.

Figure 104: Registered and new corporations, by year, 1987–88 to 2004–05



Note: The number of registered corporations is the total number of corporations registered at the commencement of the period plus the number of new corporations registered less the total number deregistered in the period.

Corporations vary in size, from unfunded groups through to organisations with millions of dollars of income and assets (see Attachment 12 for 25 Indigenous corporations with highest known income). Corporate functions are diverse, from providing services such as health care and power supply to simply holding land, and many corporations are multifunctional.

Most groups incorporated under the ACA Act are located in remote areas (56 per cent), as Figures 105 and 106 show, and are publicly funded. However, some generate substantial private income—for example, corporations linked to mining compensation or to the Indigenous arts industry. Many hold significant community assets that were funded publicly and are now held privately by the corporations.

Over the past year corporation numbers fell in all states and territories or remained stable, with the highest falls recorded in NSW and Queensland of 62 and 40 respectively. This was due to the deregistration program undertaken by ORAC (see page 326 and Attachment 11). Breakdowns of locations of ACA Act corporations by Indigenous Coordination Centres (ICCs) and by ATSIC regions are shown in Figures 107 and 108; and by ATSIC regions only in Figure 105. (ATSIC regions ceased to exist from 1 July 2005, and ICC regions have taken their place.)

Figure 105: Location of corporations by ATSIC region, state/territory, with location of 25 highest income registered corporations



#### 25 corporations with highest total income 2002–03 as at 30 June 2005

- |   |   |
|---|---|
| <b>A</b> Bawinanga Aboriginal Corporation                             | <b>N</b> Wila Gutharra Community Aboriginal Corporation   |
| <b>B</b> Kaarta-Moonda Aboriginal Corporation                         | <b>O</b> Booroongen Djugun Aboriginal Corporation   |
| <b>C</b> Bungala Aboriginal Corporation                               | <b>P</b> Cairns Regional Community Development & Employment Aboriginal & Torres Strait Islander Corporation |
| <b>D</b> Katherine West Health Board Aboriginal Corporation           | <b>Q</b> Bega Gambirringu Health Services Aboriginal Corporation  |
| <b>E</b> Kimberley Land Council Aboriginal Corporation                | <b>R</b> Nooda Ngulegoo Aboriginal Corporation  |
| <b>F</b> Southern Aboriginal Corporation                              | <b>S</b> Anangu Pitjantjatjara Services Aboriginal Corporation  |
| <b>G</b> Julalkari Council Aboriginal Corporation                     | <b>T</b> Anyinginyi Health Aboriginal Corporation   |
| <b>H</b> Ngaanyatjarra Services Aboriginal Corporation                | <b>U</b> Broome Regional Aboriginal Medical Service (Aboriginal Corporation)                                |
| <b>I</b> Sunrise Health Service Aboriginal Corporation                | <b>V</b> Wheatbelt Aboriginal Corporation   |
| <b>J</b> Duri Aboriginal Corporation Medical Service                  | <b>X</b> Bama-Ngappi-Ngappi Aboriginal Corporation  |
| <b>K</b> Maari Ma Health Aboriginal Corporation                       | <b>Y</b> Biripi Aboriginal Corporation Medical Centre   |
| <b>L</b> Tiwampa Outstation Resource Centre (Aboriginal Corporation)  | <b>Z</b> Cape York Land Council Aboriginal Corporation  |
| <b>M</b> South-West Aboriginal Medical Service Aboriginal Corporation |   |



Figure 106: Location of registered corporations, by remoteness and state/territory, 2004–05

State	Major cities	Inner regional	Outer regional	Remote	Very remote	Unknown	Total 2004–05	Total 2003–04
ACT	19	0	0	0	0	0	19	21
NSW	73	108	166	51	17	0	415	477
NT	0	0	100	267	236	0	603	619
QLD	65	65	175	93	171	0	569	609
SA	17	4	20	4	15	0	60	61
TAS	0	13	4	1	1	0	19	21
VIC	18	25	22	8	1	0	74	74
WA	106	33	64	81	498	0	782	797
<b>Unknown</b>						44	44	34
<b>Australia</b>	<b>298</b>	<b>248</b>	<b>551</b>	<b>505</b>	<b>939</b>	<b>44</b>	<b>2585</b>	<b>2713</b>
<b>Percentage of total</b>	11.5%	9.6%	21.3%	19.6%	36.3%	1.7%	100%	

Figure 107: Location of registered corporations by ICC regions at 30 June 2005

ICC region	Corporation numbers	% Total
Alice Springs	320	12.38%
Binaal Billa (Wagga Wagga)	80	3.09%
Cairns and District	107	4.14%
Cape Yorke	48	1.86%
Central Queensland (Rockhampton)	75	2.90%
Garrak-Jarru (Katherine)	86	3.33%
Goolburri (Roma)	63	2.44%
Gulf and West Queensland (Mount Isa)	69	2.67%
Kamilaroi (Tamworth)	63	2.44%
Kullari (Broome)	132	5.11%
Malarabah (Derby)	101	3.91%
Many Rivers (Coffs Harbour)	122	4.72%
Melbourne	72	2.79%
Miwatj (Nhulunbuy)	11	0.43%
Murdi Paaki (Bourke)	45	1.74%
Noongar (Perth)	191	7.39%
Nrarda-Ngarli-Yarndu (South Hedland)	76	2.94%
Nulla Wimila Kutja (Port Augusta)	34	1.32%
Patpa Warra Yunti (Adelaide)	25	0.97%
Queanbeyan	63	2.44%
South East Queensland Indigenous Council (Brisbane)	86	3.33%
Sydney	62	2.40%
Tasmanian Regional Aboriginal Council (Hobart)	19	0.74%
Torres Strait Regional Authority	42	1.62%
Townsville	79	3.06%
Wangka Wilurrara (Ceduna)	2	0.08%
Wongatha (Kalgoorlie)	62	2.40%
Wunan (Kununurra)	152	5.88%
Yamatji (Geraldton)	68	2.63%
Yapakurlangu (Tennant Creek)	58	2.24%
Yilli Rreung (Darwin)	127	4.91%
Unknown	45	1.74%
<b>Total</b>	<b>2585</b>	<b>100.00%</b>

Figure 108: Location of registered corporations by ATSI regions at 30 June 2005

ATSI region	Corporation numbers			% of Total	Variation number	Variation %
	2002-03	2003-04	2004-05		2003-04/ 2004-05	2003-04/ 2004-05
Alice Springs	220	224	216	8.35%	-8	-3.57
Binaal Billa (Wagga Wagga)	77	86	83	3.21%	-3	-3.49
Binjirru (Wangaratta)	21	25	22	0.85%	-3	-12.00
Cairns and District	96	91	90	3.48%	-1	-1.10
Central Queensland (Rockhampton)	85	74	74	2.86%	0	0.00
Central Remote Regional Council (Apatula)	111	106	107	4.14%	1	0.94
Garrak-Jarru (Katherine)	98	93	167	6.46%	74	79.57
Goolburri (Roma)	79	66	60	2.32%	-6	-9.09
Gulf and West Queensland (Mount Isa)	76	77	74	2.86%	-3	-3.90
Jabiru	35	34	27	1.04%	-7	-20.59
Kamilaroi (Tamworth)	72	75	67	2.59%	-8	-10.67
Kullari (Broome)	130	129	132	5.11%	3	2.33
Malarabah (Derby)	108	106	101	3.91%	-5	-4.72
Many Rivers (Coffs Harbour)	122	133	120	4.64%	-13	-9.77
Miwatj (Nhulunbuy)	13	9	8	0.31%	-1	-11.11
Murdi Paaki (Bourke)	47	48	50	1.93%	2	4.17
Noongar (Perth)	92	85	74	2.86%	-11	-12.94
Noongar Country (Narrogin)	140	126	124	4.79%	-2	-1.59
Nrarda- Ngarli-Yarndu (South Hedland)	76	65	64	2.48%	-1	-1.54
Nulla Wimila Kutja (Port Augusta)	34	33	32	1.24%	-1	-3.03

Figure 108 *continued*

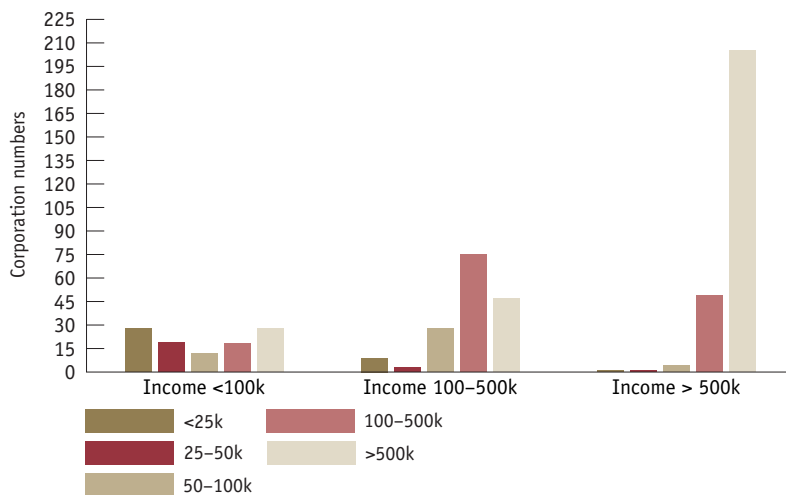
ATSIC region	Corporation numbers			% of Total	Variation number	Variation %
	2002–03	2003–04	2004–05		2003–04/ 2004–05	2003–04/ 2004–05
Patpa Warra Yunti (Adelaide)	23	25	25	0.97%	0	0.00
Peninsula (Cooktown)	72	66	63	2.44%	-3	-4.55
Queanbeyan	76	79	64	2.48%	-15	-18.99
South East Queensland Indigenous Council (Brisbane)	102	96	86	3.33%	-10	-10.42
Sydney	77	77	61	2.36%	-16	-20.78
Tasmanian Regional Aboriginal Council (Hobart)	21	21	19	0.74%	-2	-9.52
Torres Strait Regional Authority	45	46	42	1.62%	-4	-8.70
Townsville	108	93	79	3.06%	-14	-15.05
Tumbukka (Ballarat)	46	50	41	1.59%	-9	-18.00
Wangka Wilurrara (Ceduna)	2	2	2	0.08%	0	0.00
Western Desert (Warburton)	15	16	16	0.62%	0	0.00
Wongatha (Kalgoortie)	45	47	48	1.86%	1	2.13
Wunan (Kununurra)	153	146	71	2.75%	-75	-51.37
Yamatji (Geraldton)	79	74	71	2.75%	-3	-4.05
Yapakurlangu (Tennant Creek)	57	57	58	2.24%	1	1.75
Yilli Rreung (Darwin)	98	99	103	3.98%	4	4.04
Unknown	110	34	44	1.70%	10	29.41
<b>Total</b>	<b>2861</b>	<b>2713</b>	<b>2585</b>	<b>100.00%</b>	<b>-128</b>	<b>-4.72</b>

Note: Queanbeyan number includes ACT corporations.

## Income of corporations

Figure 109 and Figure 110 show the wealth of Indigenous corporations (where known). Those corporations with significant incomes usually also have significant assets. Analysis by ORAC indicates that most corporations under the ACA Act are small to medium in their income, assets and number of employees. However, a growing number are large in that they have substantial income (see Attachment 12). Also, a significant number have little income and substantial assets. These findings have implications for many aspects of ORAC's work, especially legislative reform and risk management.

Figure 109: Number of registered corporations, by income and assets, at 30 June 2005



Note 1: Due to the reporting timeframes for corporations under the ACA Act, this figure shows data to 30 June 2005.

Note 2: Information on income and assets is not known for all corporations; this figure shows income and assets where known.

Figure 110: Number of corporations by income and assets at 30 June 2005

Income and assets	<25k	25-50k	50-100k	100-500k	>500k	Total
Income <100k	28	19	12	18	28	105
Income 100-500k	9	3	28	75	47	162
Income > 500k	1	1	4	49	205	260
<b>Total</b>	<b>38</b>	<b>23</b>	<b>44</b>	<b>142</b>	<b>280</b>	<b>527</b>

### Funding of corporations

The major known funding bodies of corporations under the ACA Act in 2004–05 were the Department of Employment and Workplace Relations, the Department of Family and Community Services and the Office of Aboriginal and Torres Strait Islander Health (OATSIH) at the Department of Health and Ageing.

Figure 111: Funding by major Australian Government agencies of registered corporations at 30 June 2005

	2004–05	No. of corporations
Department of Employment and Workplace Relations	\$221 880 611 *	105
Department of Family and Community Services	\$52 007 508	95
Office of Aboriginal and Torres Strait Islander Health	\$104 573 471	103

\* this amount is the budgeted funding of the Department of Employment and Workplace Relations (DEWR) of registered corporations for 2004–05 rather than actual expenditure at 30 June 2005.

Other sources of public funds include a wide range of Australian Government agencies and state/territory agencies, especially in Western Australia, Northern Territory and Queensland.



*Eubena Nampitjih with Elizabeth Nyumi (background), two renowned artists at the Warlayirti Arts Centre in Balgo, WA. The Warlayirti Arts Centre is a successful Indigenous corporation, incorporated with ORAC.*

## ORAC performance in 2004–05

### Accountability

#### *External scrutiny*

There were five requests made under the FOI Act in 2004–05, four of which have been resolved and one was still pending at 30 June 2005.

There was one internal application for review and one application for review to the Administrative Appeals Tribunal, both of which were outstanding at 30 June 2005 but had been resolved as of August 2005.

#### *Corporate plan and service charter*

ORAC revised its corporate plan and service charter. They are in place until the end of 2007. They establish ORAC's performance priority as providing quality services in line with its statutory functions under the ACA Act and the new Corporations (Aboriginal and Torres Strait Islander) Bill 2005.

The service charter explains the services ORAC provides and the standards ORAC's clients can expect. It includes a tear-off feedback form.

The corporate plan sets out ORAC's vision, purpose, roles and priorities for the coming two years, which expand on its obligations set out in its Portfolio Budget Statements.

#### *Annual report and Yearbook for ORAC*

Although the ACA Act does not require it, ORAC publishes a Yearbook, in addition to contributing to the department's annual report. These publications are available at [www.orac.gov.au](http://www.orac.gov.au).

### Accessibility and responsiveness

#### *Hotline*

ORAC provides a personal service to clients. Much initial communication with ORAC is through the toll-free telephone service. In 2004–05 ORAC received 12 693 calls on its toll-free line, finalising 682 inquiries about corporate governance (nearly eight per cent more than last year) and 119 complaints and dispute alerts (nine per cent fewer than last year). Many of these require sustained assistance over a long period of time (see Attachment 2).

#### *Website*

ORAC encourages use of the Internet. There was a 106 per cent increase in the number of visits to the ORAC website ([www.orac.gov.au](http://www.orac.gov.au)) in 2004–05. Visitor sessions per month grew from 6268 in July 2004 to 12 895 in July 2005. Electronic communication is increasing as the number of corporations with email and Internet access continues to grow. The Public Register of Indigenous Corporations registered under the ACA Act is now partly accessible on the website, with document images becoming available in stages during 2005–06. This is encouraging higher usage of the site.

### *Case coordination*

Where necessary, ORAC will work on site with clients. During 2004–05 ORAC built on its communication with remote communities through language initiatives, case coordination and case management where appropriate, and expanded field work. It has embarked on an ambitious place planning exercise in the Kimberley to coordinate all ORAC services and initiatives provided to corporations in that area internally and with external services and contractors. The place plan involves ORAC contributing more to solving some difficult systemic issues, for example, issues relevant to municipal services in remote localities.



*Balgo in the Kimberley, WA, from the air where ORAC is delivering a range of services supported by coordinated planning.*

### *Complaints*

A complaints system ensures that ORAC responds to issues raised about its staff and consultants. During the year ORAC received three complaints and dealt with them as follows:

- One matter was outside the jurisdiction of ORAC. The complainant was advised of this and referred elsewhere.
- ORAC responded to one matter where the complainant raised further issues after receiving an initial response. ORAC responded to these additional issues and the complainant took no further action.
- One matter was referred to the Investigations and Compliance unit within OIPC for resolution. At 30 June 2005, this complaint was not resolved.

### **Incorporation support**

An essential part of ORAC's incorporation work is providing information and assistance to groups before they incorporate, and once they have incorporated. Incorporating is not always the best or most appropriate solution for groups wanting to deliver services or run businesses in Indigenous communities.

ORAC also helps corporations in dispute resolution, although it does not act as a mediator.



## Case study—Redesigning the rules

In early June 2005 an ORAC team travelled to Hermannsburg in the Northern Territory to help a long-standing Aboriginal corporation review and redesign its constitution.

The way was prepared by the Central Australian Aboriginal Congress whose knowledge of community and preparatory work was vital to the success of the process.

The Western Aranda Health Aboriginal Corporation (WAHAC) was incorporated in September 1993, and currently operates health services for the Hermannsburg community and surrounding areas.

It is 130 kilometres west of Alice Springs and provides crucial services to the region, employing a doctor, nurse and casual drivers. Last year it devised a 10-year health plan with the end goal being a health service controlled by the Aboriginal community.

This workshop—the first that ORAC had conducted with this corporation—was attended by nine corporation representatives, including the governing committee and interested members.

The purpose of the workshop was to help the group revise WAHAC's constitution so that it was up-to-date, easy to understand, reflected the corporation's and the community's specific needs and supported good governance practices.

At the beginning of the workshop, most participants had not seen the constitution before. By the end, they had a comprehensive understanding of the roles

and responsibilities of everyone involved in running the corporation.

To give corporations ownership and control of the rules that they operate by, it is crucial that members themselves develop the ideas and solutions in redesigning their constitutions—which is precisely what happened during the one-day workshop.

At the start of the workshop, participants gave a snapshot of the nature of the communities that the corporation served, the health problems they experienced and identified how WAHAC could address those problems.

Having established the context, it was then down to the hard work of reviewing all the elements of the constitution—for example, deciding issues such as membership qualifications, the size and structure of the governing committee, the types of meetings and how they should be held.

The ORAC team facilitated all the sessions using various learning tools such as 'talking paper' (a new participative training tool used widely by ORAC), group work, discussions and the use of pictures to encourage extensive participation.

Feedback was overwhelmingly positive. ORAC looks forward to working further with WAHAC to promote good governance practices within the corporation.

New incorporations again fell for the second year in a row—by over 10 per cent from 134 in 2003–04 to 120 in 2004–05. This reflects ORAC's and others' determination to encourage responsible and successful incorporation (see Attachment 2). Applications also fell for the second year in a row by 25 per cent—from 160 in 2003–04 to 120 in 2004–05. Inquiries involving requests for information, support and referrals that were resolved during the year grew by eight per cent (682 in 2004–05 from 634 in 2003–04) continuing the trend of recent years. The number of successfully resolved members' complaints and disputes fell by nine per cent. While the number of requests for assistance with complaints and disputes fell (by 16 per cent), because of their increasing complexity and the serious consequences they can have for corporations if unresolved, ORAC is devoting more resources to assist with these matters.

Changes to constitutions completed during the year rose by 15 per cent from 114 to 131. Significant resources are devoted to these matters, since issues and the compliance environments within which corporations operate are increasingly complex. Also ORAC is devoting more resources to a proactive program encouraging the development and review of constitutions as part of its new focus on preventing problems through better designed corporations, and a new model constitution is near completion.

### Monitoring, examination and regulation

Under the ACA Act all corporations are required to submit certain documents to ORAC which are placed on the Public Register, including a list of members and financial reports, unless the corporation is exempted by the Registrar.

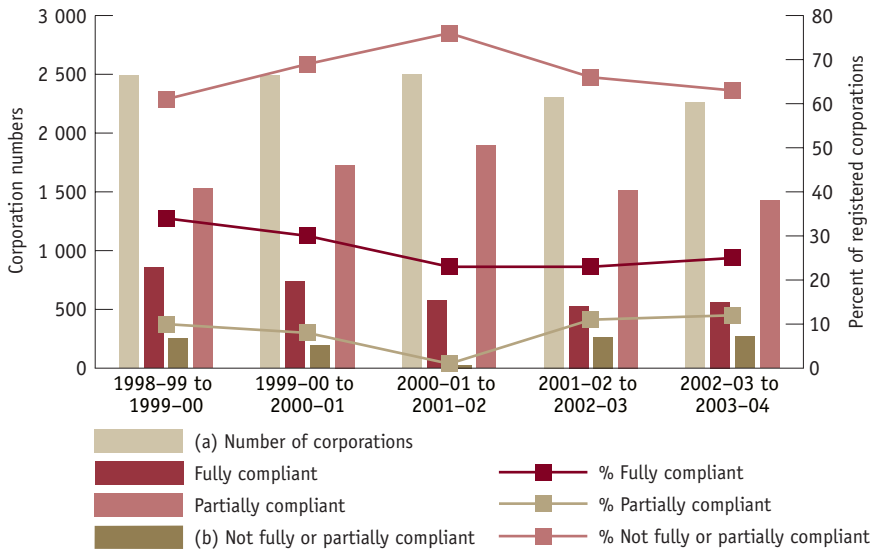
Approximately 40 per cent of corporations have provided the three key reports (statement of compliance, audited financial statement and list of members) under the ACA Act for 2003–04. Compliance is set out in Figure 112 and Attachment 3.

The rate of compliance (where corporations are either partially or fully compliant with reporting under the ACA Act) for those funded by the big funding agencies is well above the average rate of 40 per cent—in the range of 74 per cent and upwards. This is due to the improved capacity of funded corporations to meet reporting requirements and also the extra scrutiny given to funded corporations by ORAC.

There has been a significant increase in the number of corporations obtaining exemptions from some reporting requirements, in recognition of their lack of capacity to report—that is, if they are not funded they are not normally required to provide an audited financial statement and ORAC will usually grant an exemption. ORAC implemented a system to assist those corporations to obtain an exemption.

Although most corporations (59 per cent) remain non-compliant with reporting requirements under the ACA Act, there has been an improvement in 2004–05 of seven per cent for partial compliance (that is, providing three key reports—statement of compliance, audited financial statement and list of members—required under the ACA Act).

Figure 112: Compliance of corporations, by number of corporations, 1998–99 and 2003–04



Note: 'Fully or partially' compliant means that either 5 or 3 key annual return documents respectively have been provided by the corporation for the relevant 2 consecutive year period. The above figure shows all returns received by ORAC as at 30 June 2005. Corporations are not required to provide annual returns for 2004–05 until 31 December 2005.

No. of corporations are the number of corporations that were incorporated as at 31 March 2002, being the first financial year of the compliance period.

This improvement is a result of ORAC analysing non-compliance and implementing a plan for appropriate follow-up. Many of the non-compliant corporations are not funded at all, hold land only and have no capacity to apply for an exemption. The new Corporations (Aboriginal and Torres Strait Islander) Bill 2005 will enable more streamlined exemptions for some reporting—that is, exemptions for audited financial statements where warranted.

Arrangements with funding bodies have been enabling ORAC to establish which corporations are technically non-compliant but have in fact submitted reports required under the ACA Act to funding bodies and are operating well. Avoiding duplicate reporting by corporations is an aim of the new legislation. Corporations that should be compliant under the ACA Act were targeted for regulation such as formal follow-up and examination. Non-compliant corporations that are no longer operating were targeted for deregistration.

In 2004–05 ORAC initiated 61 examinations of corporations—an increase of 13 per cent on the previous year, and well over the target of 50. Corporations for examination were selected in response to evidenced problems or as part of a program of rolling examinations responding to risk analysis involving criteria such as size,

purpose, time since last examination, compliance status and history of member or other complaints. At 30 June 2005:

- six (or 10 per cent) of the 61 examinations initiated this year are operating well and require no further action
- 22 (or 31 per cent) remain under consideration for further action
- 22 (or 36 per cent) of the examinations initiated this year, plus a further 15 carried over from the previous year, required rectification of less serious matters, involving the issue of a section 60A notice under the ACA Act
- 13 (or 21 per cent) of the 61 examinations initiated this year, plus a further five carried over from the previous year, raised serious matters and have been required to advise why an administrator should not be appointed, involving the issue of a section 71 notice under the ACA Act. Of these 18, seven administrators were subsequently appointed this year, three section 60A notices were subsequently issued, one monitoring agreement was undertaken, four MOUs were entered into and three are pending
- one corporation required a liquidator to be appointed
- nine administrations continue from previous years.

The trends for examinations initiated, administrations appointed and deregistrations completed are shown in below.

Figure 113: Number of examinations initiated, administrations appointed and deregistrations completed 2002–03 to 2004–05

Regulatory actions	2002–03	2003–04	2004–05
Examinations initiated	35	54	61
New administrations appointed	8	7	7
Deregistrations completed	116	282	269

Attachment 4 contains a list of corporations where examinations were initiated during 2004–05 and shows the follow-up action taken by the Registrar at the time of writing, not necessarily during 2004–05. Attachments 5 and 6 show the corporations issued with a section 60A notice or section 71 notice respectively during 2004–05. Some of the actions in these attachments are follow-up to examinations conducted during 2003–04.

Strong emphasis remained on requiring corporations to put things right rather than appointing an administrator, which is a last resort. Seven corporations were placed under new administration in 2004–05 (see Attachment 7), the same as the previous year and significantly less than the highest annual number of 17 in 1998–99.

## Case study—A strong culture of governance

The Bawinanga Aboriginal Corporation is a very large Indigenous corporation. With an estimated income in 2004–05 of \$25 million and highly diverse spheres of operation, Bawinanga provides employment and opportunity to a large proportion of the Arnhem Land population. (See its location on Figure 105.)

Bawinanga is one of the largest individual employers in the Northern Territory.

In June 2005 ORAC completed an examination of Bawinanga and found it very well run, with good governance and accounting systems in place.

This was not only due to the continuity of service of the senior management group but also its strong culture of training in corporate governance.

The corporation, based in Maningrida on the Northern Territory coast, began operations in 1973 and was incorporated in 1979.

It was originally formed as a support agency for people who chose to live on their homelands, rather than in Maningrida itself. The region consists of 13 groups, each speaking different languages and with deep connections to family and country.

The outstation population is now about 800 people on 32 outstations, requiring not just housing and services but land management and employment.

The services Bawinanga provides include housing maintenance, water, roads and communication. But business development is the strategy that will help the corporation reach its major goal—that is, to achieve economic independence and self-determination through the sustainable economic development of its resources.

The corporation is underpinned by its CDEP (Community Development Employment Projects). It owns and runs a number of business units that employ CDEP participants and sometimes places them with other agencies and businesses. According to its general manager, CDEP is an essential element in its progress and prosperity, employing 590 participants.

It is important for the corporation that its businesses and projects reinforce its links to traditional Aboriginal culture—therefore, they include such enterprises as the breeding of turtles for the pet industry, the harvesting of crocodile eggs and the development of the renowned Maningrida Arts Centre.

In 2004 the partnership of LoTech Aquaculture Pty Ltd, the Bawinanga Aboriginal Corporation and Warruwi Community Corporation won the NT Small Business Award by working with local Aboriginal communities and provided training, jobs and income in establishing sponge aquaculture projects.

At 30 June 2005 a further nine administrations were still in progress following appointments of administrators in previous years (see Attachment 8). At 30 June 2005 there were 16 administrations in progress. Administrations are usually positively received once arrangements are settled because they offer an alternative to liquidation and achieve turnaround for a struggling corporation.

ORAC started 2004–05 with 44 liquidations in progress, reduced this number to 34 at 30 June 2005 and is continuing to aim to reduce the time that liquidations take (see Attachments 9 and 10).

Deregistrations continued to be initiated, and 269 were completed during the year (see Attachment 11).

### Information and training

The ORAC training team consolidated its regional program of training in Queensland during 2004–05 and began adapting the three-day workshop and Certificate IV in Business (Governance) for use in remote areas, where 56 per cent of ORAC's corporations are located.

ORAC's target of 220 training days (represented by 70 non-accredited and 150 accredited training days) has been exceeded. This included 46.5 one-day and half-day information sessions, eight three-day introductory corporate governance workshops making a total of 70.5 days, and eight accredited Certificate IV in Business (Governance) courses delivered over four five-day blocks (160 days). Of the 80 students who have completed the course since it was made available two years ago, 74 have completed all assessments to the standard required to be awarded the Certificate IV, giving a retention rate of nearly 93 per cent.

Training is based on ORAC's commitment to develop the capacity of corporations (that is, helping them to build on their strengths) and is undertaken using a tailored training method and materials. The training, which complements rather than duplicates mainstream programs, is offered to targeted localities and groups around Australia. The Certificate IV in Business (Governance) is increasingly being run through some TAFE and private registered training organisations. In 2004–05, 57 people graduated with a Certificate in Business (Governance), and 144 attended ORAC's three-day workshops.

ORAC also focuses on developing the capacity of its staff to deliver information and training more effectively. This year, ORAC introduced a participative tool, talking paper, into its way of working with corporations. Through a simple process using coloured paper and adhesive coloured dots, a facilitator elicits ideas, encourages dialogue, clarifies, organises and prioritises the ideas to get agreement in groups. Feedback from participants involved in information sessions, including those on constitutional design and the three-day corporate governance workshops, is that talking paper is very effective.

## Case study—Adapting three-day workshop

The ORAC training team has learnt from experience that they must deliver an introductory governance workshop before they deliver their training programs in regional and remote areas. They took up the challenge to adapt their regional governance workshop for use in remote areas.

A collaborative approach was necessary. ORAC approached the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council (NPYWC) in Alice Springs to see if they would work with ORAC, and they agreed.

When ORAC asked for our help, the organisation was as usual under a lot of pressure just coping with its day-to-day operational functions, but we had already secured a very small grant to run governance training ... We sent the Deputy Chairperson and a staff member to one of the ORAC workshops. The Deputy spoke up strongly about what was hard to understand, and what worked well at that workshop. She could also see that this training was something that all the other Executive would want to have and was keen to continue helping ORAC adapt the program.

—Vicki Gillick, Coordinator, NPYWC

Based on detailed feedback from NPYWC, ORAC came up with a draft approach and program. A planning meeting was held at the NPYWC's Alice Springs office where staff from both organisations, the trainer and board members agreed on content, activities, the use of an interpreter, and the training team. A date was set. In effect the regional workshop content was spread over more workshops to accommodate the needs of participants.

NPYWC also acted as ORAC's community agent, obtaining applications from participants, explaining details of

the workshop, and completing joint learning agreements about attendance and participation.

These are some of the comments from participants after the workshop.

This was the first governance workshop I ever had in Alice Springs. I was excited and also knowing other executives and from Jaltja. For me, I did learn about how to run the organisation and I learned and understand some of the hard words, so it was great at the workshop. I think this was the best workshop I ever had. I didn't understand some of the meanings. But I've learned a new way of being a good executive.

Law and culture is what makes governance strong. It comes first. We come together to keep us strong and then we can look after the organisation.

The most important thing is for executive and staff to have a 'good heart', to be kind and look after each other, not to speak badly. Attending the workshop and participating proper way is what governance is all about. You make the commitment.

It's important to learn these big words, to help keep the organisation to go straight, not curly-curly—that's when we have problems.

Major differences between the new adapted program and the original regional workshop include that learning activities are based on oral not written responses, that an interpreter and scribes are present and that participants belong to the same ethno linguistic group.

ORAC will continue to collaborate with NPYWC on the remainder of the introductory workshop content and trial the program in 2005–06. This trial will greatly benefit similar training in other remote areas such as the East Kimberley.

In the past year ORAC has produced a range of plain English publications and audiovisual materials aimed at making information more accessible to corporations in remote areas. Publications include visual tools and materials targeted toward Indigenous language speakers.

ORAC has also developed materials explaining the new Corporations (Aboriginal and Torres Strait Islander) Bill, including:

- a national Indigenous radio campaign
- information booklet
- fact sheets
- website animation.

### Legislative reform

During the year ORAC continued its development of the Corporations (Aboriginal and Torres Strait Islander) Bill 2005. It was introduced into the Australian Parliament on 23 June 2005.

#### *Why a new Bill?*

Currently about 2600 Aboriginal and Torres Strait Islander corporations are registered under the ACA Act. Many play a central role in delivering essential services to remote Indigenous communities, for which substantial amounts of public funds are provided and/or hold land for remote Indigenous groups. Most native title corporations are registered under the ACA Act, similarly many remote Indigenous arts centres.

Since 1976 there have been substantial changes in the legal environment for corporate regulation. The ACA Act is 30 years old and is out of line with modern corporate governance and accountability standards reflected in the *Companies and Corporations Act 2001*. Also it needed modernising to respond to contemporary risks and requirements of Indigenous corporations.

Therefore, in 2000 it was decided to review the ACA Act and its administration. The Bill has been developed in the light of this review. Because all provisions of the Corporations Act had to be examined in the light of Indigenous corporations and the Native Title Act, and because of the extensive consultation period during the course of the review, it has taken until now to fully finalise the new legislation.

#### *Date of effect*

The Bill will probably have a commencement date of 1 July 2006, to coincide with the start of 2006–07. A 'machinery' Bill is currently being drafted to support this first Bill, and it is proposed that it will be introduced into parliament soon.



### *Implementation*

The Registrar's office is already delivering a range of capacity building programs for Indigenous corporations. These existing programs, coupled with a variety of other strategies, will be employed during implementation to support Indigenous corporations, and stakeholders, shift to the new Act and requirements. An important goal of implementation is to enable Indigenous corporations to take up opportunities the Bill offers such as improving 'cultural match' in corporate design.

An up-to-date summary of the Bill can be found at [www.orac.gov.au](http://www.orac.gov.au) and in Attachment 13.

### **Improving corporate governance**

All ORAC's work strives for improved corporate governance in Indigenous corporations. ORAC's goal is to enable effective decisions in Australian law, while maximising Indigenous cultural legitimacy for that decision making.

In Australian law, corporate governance arrangements are those through which an organisation directs and controls itself and the people associated with it. Corporate governance is primarily the responsibility of the Board as a group.

### *Managing risk*

On 14 October 2004 ORAC, together with the Office of Evaluation and Audit (OEA) and OIPC, hosted the inaugural forum on risk issues for programs funding Indigenous corporations. The forum was attended by key funding agencies to identify key risks and to work out how to improve the treatment of those risks.

The forum sponsors nominated five priority risks and the forum identified a further four. They were:

- failure to achieve government outcomes for Indigenous Australians
- capacity of communities and governments
- failure to implement risk management strategies
- not working as one/contract management failure
- failure of dialogue between communities and government
- new program and restructure program 'sprints'
- loss of corporate reputation (macros and micro)
- slack on tax
- misuse of funds.

Working groups analysed seven of these risks and found that:

- the contribution that individual risk treatments can make in mitigating high priority risks should not be underestimated

- dependencies between priority risks are important and need to be understood and incorporated in risk work
- there are complexities in implementing whole-of-government approaches for Indigenous policy and programs, and related risk work, which need attention.

As a result, ORAC is working on a range of strategies, including a joint initiative with the Australian Taxation Office to help Indigenous corporations meet their GST obligations—a common cause of corporate failure.

Following the enthusiasm of the participants and the productive discussions at the forum, sponsors are likely to hold a follow-up forum to review progress. A published copy of the risk forum report is available from ORAC.

### People and systems

Although not under direction for statutory decisions, the Registrar is subject to performance management and review in administrative matters. The Registrar had a performance agreement as part of an Australian Workplace Agreement with the Associate Secretary of OIPC. The Registrar was supported by 40 staff at 30 June 2005 in ORAC (see Figure 114).

ORAC's focus is on building staff skills and aligning systems and processes with reforms to the ACA Act and the immigration and multicultural and Indigenous affairs portfolio.

ORAC's Electronic Register of Indigenous Corporations (ERIC)—a workflow and information management system—has continued to help staff in a number of areas, such as highlighting corporations that may require assistance or review. ERIC also continues to provide clients with faster and more streamlined services. During 2004–05 significant progress was made in making public information available online. This work should be completed in 2005–06.

A project to improve ORAC's services, processes, systems and procedures is on target for completion in 2005–06. A number of its recommendations are being implemented, including working towards online processing of applications and registrations.

#### *Staff training*

ORAC continues to encourage staff to improve their skills. Examples of learning opportunities taken up included:

- three staff members pursued tertiary/professional qualifications
- training was provided in project management, procurement and contract management, financial processing, leadership development, systems analysis, Freedom of Information and mediation. Whole-of-office sessions on reforms to the ACA Act were conducted
- staff participated in ORAC's corporate governance training for clients.

Figure 114: Staff profile

	APS 2	APS 3	APS 4	APS 5	APS 6	Exec 1	Exec 2	SES	Total
Aboriginal and Torres Strait Islander staff	0	1	2	0	1	2	0	0	6
Non-ATSI staff	0	5	2	6	4	10	6	1	34
Male	0	2	2	2	1	7	3	0	17
Female	0	4	2	4	4	5	3	1	23
Ongoing	0	3	4	5	4	9	5	0	30
Non-ongoing	0	3	0	1	1	3	1	1	10
Full-time	0	3	4	5	5	12	6	1	36
Part-time	0	3	0	1	0	0	0	0	4
<b>Totals</b>	<b>0</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>12</b>	<b>6</b>	<b>1</b>	<b>40</b>
Non English-speaking background	0	1	0	2	0	2	1	0	6
People with disabilities	0	0	0	0	0	2	0	0	2

ORAC has a relatively diverse workforce by Australian Public Service (APS) standards (as reflected in the Australian Public Service Commission's *State of the service report 2003–04*):

- 15 per cent Indigenous employment (the APS standard is 2 per cent)
- 57.5 per cent women (54 per cent)
- 5 per cent people with disabilities (4 per cent)
- 15 per cent people from non-English speaking backgrounds (3 per cent).

## Outlook

The Corporations (Aboriginal and Torres Strait Islander) Bill 2005 when enacted provides a unique opportunity for the Indigenous corporate sector to have a more modern and tailored option. It allows for less 'red tape' for smaller community corporations, especially unfunded land holdings. It provides for more effective accountability for corporations and their boards and senior managers, in line with mainstream corporations law. Most importantly, the Bill allows 'space' for culture and local practices to be recognised in corporations' rules and processes, which is a well-evidenced success factor. ORAC has a key role in enabling the opportunity of the Bill to be harnessed by the Indigenous corporate sector, and looks forward to this work.

## Attachment 1—Summary of the Registrar’s regulatory powers under the *Aboriginal Councils and Associations Act 1976*

### **Request updated list of members—subsection 58(4)**

The Registrar can at any time request the board of a corporation to provide an updated copy of the register of members of the corporation. The board must comply within 14 days or such other time as specified by the Registrar. Failure to comply results in a fine of \$200 for each board member, unless the board member can prove they were not knowingly involved in the contravention, and did not contribute to it. Keeping the members’ register up-to-date is extremely important, in particular for clarifying voting rights at meetings.

### **Call and conduct a special general meeting—subsections 58B(3), (4), (5)**

The Registrar has the power to call and/or conduct special general meetings in three different circumstances:

- where a special general meeting was not held within 14 days of the date advertised by the corporation’s board
- where a meeting is requested by the greater of five or more members or 10 per cent of the members of a corporation
- at any time, if, in the opinion of the Registrar, a meeting is needed.

### **Examination of documents—section 60**

The Registrar may authorise a person under section 60 to examine the documents of a corporation, and report on any irregularities in financial affairs. This is a very broad discretionary power that does not require any specific grounds for its exercise. It can therefore be used to perform spot checks on corporations.

ORAC has initiated a program of rolling examinations of corporations. These will be conducted on all corporations over a number of years and more frequently on corporations at risk of breaching the ACA Act, where breaches could have serious consequences for the community concerned. A corporation’s risk level is assessed against a range of criteria, including size, purpose, and time since last examination, compliance status and history of member or other complaints.

**Issue compliance notice—section 60A**

Where the Registrar suspects on reasonable grounds that a corporation has failed to comply with the ACA Act, the regulations or the corporation's constitution, or that there has been an irregularity in the corporation's financial affairs, the Registrar may issue a compliance notice. The compliance notice can require the board to take specified action, within specified timeframes, to remedy the suspected breach or irregularity.

**Issue injunction show cause notice—subsections 61(2), (3)**

Where the Registrar believes that the board of a corporation is not complying with the ACA Act, the regulations or the corporation's constitution, the Registrar may issue a 'show cause' notice. This requires the board to show cause, within a specified reasonable period, why the Registrar should not seek an injunction to prevent their breaching action.

**Injunction application—subsections 61(2), (3)**

After considering a board's response to an injunction 'show cause' notice, the Registrar may apply to the court for an injunction. The court may then grant an injunction to require the board to not breach, or cease from breaching, the ACA Act, regulations or constitution.

**Winding-up application (liquidation)—sections 62A, 63, 65**

The Registrar may apply to the court to wind up a corporation if this is recommended by an administrator, or if the Registrar believes that this would be in the public interests or the interests of the members of the corporation.

The Registrar may apply for winding up on any of a number of grounds, including:

- that the corporation has not commenced business within one year of incorporation, or has suspended its operation for a continuous period of one year
- that there are fewer than five members of the corporation
- that the corporation is unable to pay its debts (that is, it is insolvent)
- that board members have acted in their own interests rather than the interests of the members, or in any other manner that is unfair or unjust to other members
- that the complexity or magnitude of the activities of the corporation is such that incorporation under the ACA Act is inappropriate
- that it is just and equitable to wind up the corporation.

If satisfied, the court appoints a liquidator to take over control of the corporation's affairs and discharge its liabilities in preparation for its eventual deregistration. This will typically involve selling off the corporation's assets to pay its debts.

If there are any surplus assets after the debts have been paid, these must be distributed in accordance with the corporation's constitution. If there are no specific rules in the constitution, or the court considers the rules unjust, then the court must make orders for the distribution of the assets, having regard to the objects of the corporation.

### **Investigation—sections 68, 69, 70**

The Registrar is given very broad powers to investigate the affairs of a corporation under the ACA Act. The Registrar can investigate a corporation where the Registrar suspects on reasonable grounds that the corporation has failed to comply with the ACA Act, the regulations or its constitution, or that there has been an irregularity in the corporation's financial affairs.

Under the investigation powers, the Registrar can:

- require any person who the Registrar believes to have knowledge of the affairs of a corporation to attend before the Registrar, answer questions, and produce documents to which the person has access and which the Registrar requires
- enter onto land or premises occupied by the corporation, and examine, take or copy any books on the premises relating to the affairs of the corporation.

Failure to attend, answer a question or produce a document results in a penalty of \$200. Knowingly making false or misleading responses, and hindering or obstructing the Registrar's access to premises and books, carry fines of \$1500.

### **Issue administration 'show cause notice'—subsection 71(1)**

If the Registrar considers there may be grounds for appointment of an administrator, the Registrar may serve a notice on the public officer of a corporation calling on the corporation to show cause, within a specified time, why an administrator should not be appointed.

### **Appointment of administrator—sections 71–77E**

Following the issue of an administration 'show cause' notice, the Registrar can appoint an administrator to take over and manage the affairs of a corporation. Administrators are often positively received because they offer an alternative to winding up, and aim to achieve turnaround for a struggling corporation.

An administrator can only be appointed where the Registrar is satisfied that any of certain grounds have been established, including:

- that the corporation has been trading at a loss for at least six of the previous 12 months
- that the board has failed to comply with the ACA Act, the regulations or the constitution, and has failed to give a satisfactory explanation for the failure

- that board members have acted in their own interests rather than the interests of the members, or in any other manner that is unfair or unjust to other members
- that the appointment is required in the interests of members and creditors
- that the appointment is otherwise required in the public interest.

The approval of the minister is required before the appointment of an administrator.

Upon the appointment of an administrator, the board is dismissed. The administrator takes control of the affairs of the corporation, has the functions and duties of the public officer, and has an express power to cancel or vary contracts of employment. The administrator must report to the Registrar from time to time, as required.

Upon termination of the administration, the Registrar must conduct an election for a new board.

The Registrar can also determine the administrator's remuneration, and who should pay it.

### **Deregistration—section 82, regulation 18**

Deregistration is the cancellation of a corporation's registration, so that it will cease to exist as a corporation. It is intended to be used for corporations which are 'defunct' and essentially non-operational, but without debts (if a corporation had debts, winding up would be required).

The process for deregistration operates under provisions of the *Corporations Act 2001*, imported through Regulation 18 of the Aboriginal Councils and Associations Regulations. Under those provisions, the Registrar may deregister a corporation if the following three conditions are met:

- the annual report is at least six months overdue
- no other documents have been lodged in the previous 18 months
- the Registrar has no reason to believe that the corporation is carrying on business.

On deregistration, any property of the corporation vests in the Registrar.

Deregistration is also the end result of a winding up (liquidation).

## Attachment 2—Incorporation and support services, 2001–02 to 2004–05

	2004–05	2003–04	2002–03	2001–02
<b>Incorporation services</b>				
<i>Incorporations</i>				
Applications received	120	160	211	206
Total applications actioned during the year	134	143	205	207
Applications approved	120	134	183	187
Applications refused	–	–	–	–
Application lapsed/withdrawn	14	9	22	20
<i>Constitution change requests</i>				
Requests received	116	122	138	134
Total requests actioned during the year	131	114	127	143
Requests approved	112	106	94	98
Requests refused	4	4	22	21
Requests lapsed/withdrawn	15	4	11	24
<i>Name change requests</i>				
Requests received	27	26	20	24
Total requests actioned during the year	25	18	16	32
Requests approved	18	14	8	22
Requests refused	2	–	2	1
Requests lapsed/withdrawn	5	4	6	9



	2004–05	2003–04	2002–03	2001–02
<b>Post incorporation services</b>				
<i>Public register searches</i>				
Search requests received	543	283	551	858
Search requests finalised	501	272	557	844
<i>Members' complaints and dispute assistance</i>				
Matters received	117	139	123	120
Matters finalised	119	131	107	119
<i>Annual general meeting extensions</i>				
Matters received	140	106	–	–
Matters finalised	137	104	–	–
<i>Advice on corporation issues</i>				
Inquiries received	662	774	668	251
Inquiries finalised	682	634	622	245

Note: Some services finalised during the financial year were initiated in the previous year.

## Attachment 3—Compliance trend

This attachment outlines the trends in corporations' compliance with ORAC reporting requirements between 1998–99 and 2003–04.

Compliance period	No. of corporations	Fully compliant	Partially compliant	Not fully or partially compliant	% fully compliant	% partially compliant	% not fully or partially compliant
1998–99 to 1999–00	2488*	855	251	1528	34%	10%	61%
1999–00 to 2000–01	2490*	739	195	1727	30%	8%	69%
2000–01 to 2001–02	2497	576	26	1895	23%	1%	76%
2001–02 to 2002–03	2308	528	264	1516	23%	11%	66%
2002–03 to 2003–04	2304	652	283	1369	28%	12%	59%

Note: 'Fully or partially compliant' means that either 5 or 3 key annual return documents respectively have been provided by the corporation for the relevant 2 consecutive year period. The above table shows all returns received by ORAC as at 30 June 2005. Corporations are not required to provide annual returns for 2004–05 until 31 December 2005.

Number of corporations are the number of corporations that were incorporated as at 31 March 2002, being the first financial year of the compliance period.

\* These figures are approximations due to the limitations of the data collection system in place at the time.

## Attachment 4—Corporations where examinations were initiated 2004–05

This attachment lists corporations for which examinations under section 60 of the ACA Act were initiated during 2004–05, and summarises follow-up action by the Registrar.

ICN	Corporation	Examination action
449	Abmusic (Aboriginal Corporation)	Section 60A notice issued 16 June 2005
2226	Amaroo Aboriginal Corporation	Section 60A notice issued 29 September 2004
1902	Ananga Pitjantjatjara Services Aboriginal Corporation	Section 60A notice issued 13 May 2005
258	Anilalya Council (Aboriginal Corporation)	Decision pending
3615	Ashburton Aboriginal Corporation	Section 60A notice issued 31 December 2004
29	Bawinanga Aboriginal Corporation	No further action—management letter
3805	Billa Downs Aboriginal Corporation	Section 71 notice issued 15 June 2005
2058	Brisbane Council of Elders Aboriginal Corporation	No further action—management letter 10 January 2004
12	Broome Regional Aboriginal Medical Service (Aboriginal Corporation)	No further action—management letter issued 17 January 2005
1637	Burabi Aboriginal Corporation	Section 60A notice issued 14 June 2005
67	Central Australian Aboriginal Media Association (Aboriginal Corporation)	Section 60A notice issued 13 May 2005
1269	Dubbo Googars Aboriginal Corporation—CDEP	Section 71 notice issued 24 January 2005 Administrator appointed 18 May 2005
2912	Eidsvold Wakka Wakka Aboriginal Corporation	Decision pending
469	Ellimatta Housing Aboriginal Corporation	Section 60A notice issued 24 January 2005
4050	Gangali Aboriginal Corporation	Decision pending
3830	Ghungalou Aboriginal Corporation	Report pending

ICN	Corporation	Examination action
1508	Giangurra Aboriginal Corporation	Decision pending
2824	Goreta Aboriginal Corporation	Section 71 notice issued 13 July 2005
3864	Hopevale Community Learning Centre Aboriginal Corporation	Section 60A notice issued 7 June 2005
2974	Horn Island Aboriginal Corporation	Section 60A notice issued 26 November 2004
244	Injilnji Aboriginal and Torres Strait Islanders Corporation for Children and Youth Services	Section 71 notice issued 22 March 2005 Section 60A notice issued 28 April 2005
638	Joorook Ngarni Aboriginal Corporation	Section 60A notice issued 10 January 2005
3712	Kaiwalagal Aboriginal Corporation	Section 60A notice issued 26 November 2004
2375	Kamilaroi Aboriginal Housing Aboriginal Corporation	Report pending
1754	Kamilaroi Employment Aboriginal Corporation	Report pending
108	KASH Aboriginal Corporation	Section 60A notice issued 11 March 2005
1816	Katungal Aboriginal Corporation Community and Medical Service	Section 60A notice issued 11 March 2005
35	Kununurra Waringarri Aboriginal Corporation	Section 60A notice issued 29 April 2005
2250	Kutkabubba Aboriginal Corporation	Report pending
1369	Mackay and District Aboriginal and Torres Strait Islanders Corporation for Legal Aid Services	No further action—management letter
964	Magabala Books (Aboriginal Corporation)	Section 71 notice issued 24 January 2005 Monitoring agreement 23 February 2004
1807	Manyallaluk Aboriginal Corporation	Decision pending
2416	Marruwayura Aboriginal Corporation	Report pending
1061	Mungoorbada Aboriginal Corporation	Report pending
500	Murchison Region Aboriginal Corporation	Decision pending
2761	Nalta Ruwe Aboriginal Corporation	Section 71 notice issued 4 April 2005 Section 60A notice issued 29 May 2005

ICN	Corporation	Examination action
2804	Ngunnawal Aboriginal Corporation	Section 60A notice issued 29 March 2005
2062	Nindethana Aboriginal Corporation	Report pending
1917	Northern Star Aboriginal Corporation	Section 71 notice issued 31 December 2004
584	Papulu Apparr-Kari Aboriginal Corporation	Decision pending
942	Parngurr Aboriginal Corporation	Section 71 notice issued 9 May 2005
334	Pintubi Homelands Health Service (Aboriginal Corporation)	Decision pending
629	Pitjantjatjara Yankunytjatjara Media (Aboriginal Corporation)	Section 60A notice issued 6 May 2005
2999	Pulikutjarra Aboriginal Corporation	Decision pending
1071	Pulkurru Aboriginal Corporation	Report pending
232	Southern Aboriginal Corporation	No further action—management letter 9 March 2005
442	The Arrernte Council of Central Australia Aboriginal Corporation	ORAC wind up action—Liquidator appointed 24 November 2004
918	Umpi Korumba Aboriginal and Torres Strait Islander Corporation for Housing	Section 71 notice issued 9 December 2004
2	Urapuntja Health Service Aboriginal Corporation	Decision pending
703	Western Australian Aboriginal Media Association (Aboriginal Corporation)	Section 71 notice issued 8 April 2005 Section 60A notice issued 8 June 2005
360	Wheatbelt Aboriginal Corporation	Section 60A notice issued 7 October 2004
2249	Windida Aboriginal Corporation	Report pending
548	Winton District Aboriginal Corporation	Section 60A notice issued 7 July 2005
1302	Wongatha Wonganarra Aboriginal Corporation	Decision pending
235	Yagga Yagga Community Aboriginal Corporation	Decision pending
2091	Yagga Yagga Enterprises Aboriginal Corporation	Decision pending

ICN	Corporation	Examination action
742	Yakanarra Aboriginal Corporation	No further action—management letter issued 12 July 2005
3840	Yandruwandha Yawarrawarrka Traditional Land Owners Aboriginal Corporation	Section 71 notice issued 9 December 2004 Administrator appointed 11 April 2005
4088	Yapatjarra Aboriginal and Torres Strait Islander Corporation for Health Services	Section 71 notice issued 22 March 2005 Administrator appointed 27 June 2005
620	Yarrawarra Aboriginal Corporation	Section 71 notice issued 18 January 2005
309	Yulella Aboriginal Corporation	Section 60A notice issued 3 January 2005

## Attachment 5—Corporations issued with notices to rectify matters 2004–05

This attachment lists corporations that were issued with notices to rectify matters under section 60A of the ACA Act during 2004–05.

ICN	Corporation
419	'Kootana' Women's Centre Palm Island Aboriginal Corporation
449	Abmusic (Aboriginal Corporation)
2226	Amaroo Aboriginal Corporation
2542	Ampilatwatja Health Centre Aboriginal Corporation
1902	Ananga Pitjantjatjara Services Aboriginal Corporation
3615	Ashburton Aboriginal Corporation
1637	Burabi Aboriginal Corporation
3239	Carnarvon Aboriginal Corporation
499	Carnarvon Medical Service Aboriginal Corporation
67	Central Australian Aboriginal Media Association (Aboriginal Corporation)
1276	Danila Dilba Biluru Butji Binnlutlum Health Service Aboriginal Corporation
3726	Edgerton-Kwiembal Aboriginal Corporation
469	Ellimatta Housing Aboriginal Corporation
2708	Gunida Gnyah Aboriginal Corporation
1784	Guriwal Aboriginal Corporation
3864	Hopevale Community Learning Centre Aboriginal Corporation
2974	Horn Island Aboriginal Corporation
181	Illawarra Aboriginal Corporation
244	Injilinj Aboriginal and Torres Strait Islanders Corporation for Children and Youth Services
638	Joorook Ngarni Aboriginal Corporation
3712	Kaiwalagal Aboriginal Corporation

ICN	Corporation
113	Kalumburu Aboriginal Corporation
108	KASH Aboriginal Corporation
1816	Katungal Aboriginal Corporation Community and Medical Service
35	Kununurra Waringarri Aboriginal Corporation
285	Kuwinywardu Aboriginal Resource Unit Aboriginal Corporation
2761	Nalta Ruwe Aboriginal Corporation
651	Ngoonjuwah Council Aboriginal Corporation
2804	Ngunnawal Aboriginal Corporation
1519	Orana Aboriginal Corporation
629	Pitjantjatjara Yankunytjatjara Media (Aboriginal Corporation)
2645	Shoalhaven Community Development Aboriginal Corporation
703	Western Australian Aboriginal Media Association (Aboriginal Corporation)
360	Wheatbelt Aboriginal Corporation
3411	Wonnarua Nation Aboriginal Corporation
3255	Woodgamia CDEP Aboriginal Corporation
309	Yulella Aboriginal Corporation



## Attachment 6—Corporations issued with notices to show cause why an administrator should not be appointed 2004–05

This attachment lists corporations that were required to show cause why an administrator should not be appointed under section 71 of the ACA Act during 2004–05.

ICN	Corporation
3805	Billa Downs Aboriginal Corporation
499	Carnarvon Medical Service Aboriginal Corporation
768	Cudjallagong Aboriginal Corporation Lake Cargelligo
1269	Dubbo Googars Aboriginal Corporation—CDEP
244	Injilinjji Aboriginal and Torres Strait Islanders Corporation for Children and Youth Services
964	Magabala Books (Aboriginal Corporation)
2761	Nalta Ruwe Aboriginal Corporation
55	New England Aboriginal Corporation
1917	Northern Star Aboriginal Corporation
942	Parnngurr Aboriginal Corporation
560	Piccadilla Aboriginal Corporation
2379	Southside Housing Aboriginal Corporation
2749	Three Ways Aboriginal Corporation
918	Umpi Korumba Aboriginal and Torres Strait Islander Corporation for Housing
703	Western Australian Aboriginal Media Association (Aboriginal Corporation)
3840	Yandruwandha Yawarrawarrka Traditional Land Owners Aboriginal Corporation
4088	Yapatjarra Aboriginal and Torres Strait Islander Corporation for Health Services
620	Yarrowarra Aboriginal Corporation

## Attachment 7—Corporations where new administrators were appointed 2004–05

This attachment lists corporations for which administrators were appointed under section 71 of the ACA Act during 2004–05.

ICN	Corporation	Date appointed
2749	Three Ways Aboriginal Corporation	29 September 2004
768	Cudjallagong Aboriginal Corporation Lake Cargelligo	29 September 2004
560	Piccadilla Aboriginal Corporation	1 November 2004
2379	Southside Housing Aboriginal Corporation	15 November 2004
3840	Yandruwandha Yawarrawarrka Traditional Land Owners Aboriginal Corporation	18 April 2005
1269	Dubbo Googars Aboriginal Corporation—CDEP	18 May 2005
4088	Yapatjarra Aboriginal and Torres Strait Islander Corporation for Health Services	27 June 2005

## Attachment 8—Corporations with administrations continuing from previous years at 30 June 2005

This attachment lists corporations with administrations continuing from previous years, and when the administrator was appointed.

ICN	Corporation	Date appointed
49	Gilgandra Aboriginal Corporation	10 October 2001
2133	Goomburrup Aboriginal Corporation	16 July 2002
2452	Brewarrina Aboriginal Cultural Museum Aboriginal Corporation	3 December 2002
662	Munjuwa Health Housing and Community Aboriginal Corporation	24 March 2003
289	Wirrimanu Aboriginal Corporation	31 October 2003
2541	Kununurra Region Economic Aboriginal Corporation	21 November 2003
2885	Central Queensland Aboriginal Corporation for Media	22 March 2004
1716	Armidale Employment Aboriginal Corporation	5 April 2004
54	Mount Morgan Aboriginal Corporation	12 April 2004

## Attachment 9—Liquidations in progress at 30 June 2005

This attachment lists corporations where liquidation was in progress under the ACA Act as at 30 June 2005.

ICN	Corporation	Date appointed
2293	Aboriginal and Torres Strait Islander Corporation for All Sports, Health and Recreation	29 May 2003
2690	Aboriginal Building Corporation (Aboriginal Corp)	21 March 2000
227	Balangarri Aboriginal Corporation	28 July 1999
893	Boree Aboriginal Corporation	
2452	Brewarrina Aboriginal Cultural Tourism Aboriginal Corporation	29 May 2003
2911	Cairns & District Indigenous Families Aboriginal & Torres Strait Islanders Corporation	1 December 2004
1449	Carnma CDEP Aboriginal Corporation	13 February 2004
164	Central Queensland Aboriginal Corporation for Training Resources	30 May 1997
1766	Coolgaree Youth Movement Aboriginal Corporation	18 August 2004
1228	Doonooch Self-Healing Aboriginal Corporation	12 December 2000
1930	Durahrwa Training and Development Aboriginal Corporation	10 May 2005
2412	Euston Aboriginal Corporation	10 March 1999
1122	Gubrun Aboriginal Corporation	19 January 2000
1696	Guddoo Marddah Aboriginal Corporation	23 February 2000
1674	Gundabooka Aboriginal Corporation	14 August 2002
1579	Gunyah Construction Aboriginal Corporation	12 June 2001
1192	Karijini Aboriginal Corporation	6 May 2003
328	Kerrup Jmara Elders Aboriginal Corporation	2 April 2001
1562	Manth-Thayan Aboriginal Corporation	14 September 1999
3639	Martidja Bunyjima Aboriginal Corporation	29 May 2003

ICN	Corporation	Date appointed
549	Meearu Djarula Aboriginal Corporation	20 April 1999
3553	Murrin Bridge Vineyard Aboriginal Corporation	7 March 2005
1476	Narrogin Aboriginal Corporation	16 August 2001
147	Narwon Housing Aboriginal Corporation	15 May 1998
272	Ngaku Aboriginal Corporation Multi-Purpose Centre	3 November 2004
957	NSW Women's Aboriginal Corporation	2 May 2000
2704	Orana Barellan Aboriginal Corporation	12 June 1999
87	Sports Aboriginal Corporation of Tasmania	6 October 2000
77	Theodore Aboriginal Corporation	19 April 2000
1551	Wandanooka Aboriginal Corporation	4 October 1999
2323	Warrego Aboriginal Corporation	28 November 2002
3221	Wiri/Yuwiburra Touri Aboriginal Corporation	7 June 2002
778	Yabu Bindalynga Aboriginal Corporation	5 September 1995
1825	Youth Activities Services Torres Strait Islander Corporation	2 October 2003

## Attachment 10—Liquidations finalised during 2004–05

The corporations listed in this attachment were liquidated under the ACA Act, and the liquidations were finalised during 2004–05.

ICN	Corporation	Date appointed
480	Allambi Aboriginal Corporation	19 March 1999
1853	Bidunggu Aboriginal Corporation	7 November 2000
2018	Birri Gubba Aboriginal Corporation	27 January 2000
1700	Bogong Community Aboriginal and Torres Strait Islanders Corporation	10 December 1996
2441	Brisbane North Aboriginal and Torres Strait Islanders Corporation for Aged Care	11 July 2003
1174	Camu Goun-Doi Aboriginal Corporation	15 July 1999
699	Dhunghulla Economic Development Aboriginal Corporation	12 July 1999
1465	Murri Aid Inala Aboriginal and Torres Strait Islanders Corporation	7 May 2004
1887	Ngadju Bugarla Mirning Wamu Wamu Aboriginal Corporation	21 July 1999
166	North Queensland Aboriginal and Torres Strait Islanders Corporation for Child Care	16 December 2002
509	Nurapai Torres Strait Islanders Corporation	25 January 2000
442	The Arrernte Council of Central Australia Aboriginal Corporation	24 November 2004
10	Tingha Aboriginal Corporation	4 October 1999
233	Waratah Aboriginal Corporation	12 May 1999
1237	Wattle Hill Housing and Advancement Aboriginal Corporation	21 August 1998
310	Yuddika (Aboriginal and Torres Strait Islander Corporation)	13 February 2004

## Attachment 11—Deregistrations completed

The corporations listed in this attachment were deregistered under the ACA Act during 2004–05.

ICN	Corporation
3285	'Moorn Ngoorlak' Armadale Aboriginal Independent Group Aboriginal Corporation
3710	'Our Dream Time' Aboriginal Corporation
3235	'Wearu' Aboriginal Corporation
2305	Aboriginal and Torres Strait Islanders Corporation for Community Development
3261	Aboriginal Corporation for Bwgcolman Community resource Centre
480	Allambi Aboriginal Corporation
3253	Anangu Tjuta Nintirrikupayi Aboriginal Corporation
3311	Angumothimaree Thanaquithe Aboriginal Corporation
2850	Aray Tours (Laughton and Associates) Aboriginal Corporation
3213	Aspey Nyoongah Aboriginal Corporation
2694	Atheympelengkwe Aboriginal Corporation
3646	Aulperenge Aboriginal Corporation
3690	Badimia Business Aboriginal Corporation
2848	Bagal Marragabula Babal Aboriginal Corporation
2726	Balun Community Health Place Aboriginal Corporation
3421	Bardulanha Aboriginal Corporation
3044	Barjai Aboriginal Corporation
3713	Barjon Music Aboriginal Corporation
3567	Barndangana Aboriginal Corporation
3052	Barrun-Bari Aboriginal Corporation
3558	Batemans Bay South Coast Koori United Aboriginal Corporation
3595	Bereavement Services Aboriginal Corporation
3041	Bigambul Land Management Aboriginal Corporation

ICN	Corporation
3280	Bigumbul Aboriginal Corporation for Land
2737	Binbi—Yungah Employment of Aboriginal and Torres Strait Islanders Corporation
2778	Bindarray Aboriginal Corporation for Youth and Education
2667	Bindook Aboriginal Corporation
2018	Birri Gubba Aboriginal Corporation
2901	Black Duck Womens Aboriginal Corporation
3151	Black Tracks Aboriginal Corporation
1700	Bogong Community Aboriginal and Torres Strait Islanders Corporation
3081	Bondrildich Yongagarup Aboriginal Corporation
2861	Booringa Aboriginal Corporation
2800	Bourke Boxing Club Aboriginal Corporation
2952	Bralbin Boxing Club Aboriginal Corporation
2441	Brisbane North Aboriginal and Torres Strait Islanders Corporation for Aged Care
3102	Broulee Aboriginal Corporation
3659	Bunbury Aboriginal Media Association (Aboriginal Corporation)
2405	Bungaree Aboriginal Corporation
3043	Bungu Marras Aboriginal Corporation
3627	Bunurong Aboriginal Corporation
3198	Bwgcolman Media Aboriginal Corporation
1174	Camu Goun-Doi Aboriginal Corporation
3042	Cobar Aboriginal C.D.E.P. Aboriginal Corporation
3283	Coolabah Aboriginal Corporation
2208	Cullendulla Aboriginal Corporation
2406	Cutwill Aboriginal Corporation
2725	Daiwul Gidja Culture Group Aboriginal Corporation
424	Darlots Creek (Saunders Family) Aboriginal Corporation
2838	Deili Aboriginal Corporation
1308	Deloraine Aboriginal Culture Association Aboriginal Corporation



ICN	Corporation
3272	Dharawahl Aboriginal Corporation for Housing
2550	Dhaura Housing Aboriginal Corporation
699	Dhunghulla Economic Development Aboriginal Corporation
3266	Dingaal Aboriginal Corporation
2052	Disability Services Aboriginal Corporation
3488	Diwah Aboriginal Corporation
3657	Djanbun Washpool Aboriginal Corporation
3004	Djunuwidj Business Enterprises Aboriginal Association
3251	Dorakin Aboriginal Corporation
3483	Dreamtime Entertainment Aboriginal Corporation
2671	Durahrwa Aboriginal Corporation
3502	Edarr Aboriginal Corporation
2652	Euraajuri Heritage Aboriginal Corporation
2107	Euraba Store Aboriginal Corporation
3549	Family Violence Prevention Aboriginal Corporation
2572	Five Corners Aboriginal Corporation
2438	Florina Station Aboriginal Corporation
3321	Forster Cabarita Sports and Recreation Club Aboriginal Corporation
3103	Gainau Dance Group (Torres Strait Islanders Corporation)
3489	Galaringi Aboriginal Corporation
3480	Gambuwal Aboriginal Corporation
2060	Gamilaroi Women's Group Aboriginal Corporation
2422	Gascoyne Murchison Stockman's Aboriginal Corporation
2486	Georgina River Aboriginal Corporation
995	Gillawarra (Aboriginal Corporation)
2650	Gimuy Cultural Development Aboriginal Corporation
3711	Ginyinbaminjarri Aboriginal Corporation
2548	Gnurra Yilla Aboriginal Corporation

ICN	Corporation
3525	Goodaduboo Night Patrol Aboriginal Corporation
2803	Googunah Land Council Aboriginal Corporation
2596	Goombungee Aboriginal Corporation
3596	Grahams Land Development Aboriginal Corporation
3192	Greater Mount Isa Regional Aboriginal Corporation
3656	Guba Wame Aboriginal & Torres Strait Islander Corporation
2434	Gubbi Land Council Aboriginal Corporation
3175	Gudang Aboriginal Corporation
3344	Gunda Aboriginal Corporation
3714	Gurrbullgan Community Aboriginal Corporation
3242	Gurwidj Aboriginal Neighbourhood House Aboriginal Corporation
3230	Hammond Island Fishing Torres Strait Islanders Corporation
3735	Indigenous Business Solutions Aboriginal Corporation
2721	Inland Rivers Land Council Aboriginal and Torres Strait Islanders Corporation
3136	Intelyape-lyape Aboriginal Corporation
2580	Inverell and District Aboriginal & Torres Strait Islanders Corporation
3274	Island View Aboriginal Corporation
3073	Jayedi Aboriginal Corporation
2770	Jilakin Aboriginal Corporation
3670	Jilarrn Aboriginal Corporation
3565	Jirndawurruna Yindjibarndi Aboriginal Corporation
3664	Joongnardhi Aboriginal Corporation
783	Jukurrpa Aboriginal Corporation
3077	Juvenile Advancement Aboriginal Corporation
2683	Kaltarra Aboriginal Corporation
172	Kaltukatjara Nguratjaku Council (Aboriginal Corporation)
2553	Karluk Muujt Aboriginal Corporation
4113	Karuah Aboriginal Corporation

ICN	Corporation
2457	Katiny Aboriginal Corporation
3112	Keriba Lagau Traditional Land and Sea Claimants Torres Strait Islanders Corporation
2921	Kiana Aboriginal Corporation
3517	Koorie Galore Aboriginal Corporation
3133	KREAC Financial Services Aboriginal Corporation
2871	Kulintjuri Aboriginal Corporation
2975	Kullarri Patrol Aboriginal Corporation
3437	Kullilli Traditional Owners Aboriginal Corporation
3703	Kurrkalnga Resource Centre Aboriginal Corporation
3641	Kwintigan Land Management Aboriginal Corporation
3577	Kymel—North West Brisbane Aboriginal Torres Strait Islander Corporation Community Group
3521	La Perouse Aboriginal Corporation for Youth and Community Sports
3457	Lake Chinocup Aboriginal Corporation
32	Leeton and District Aboriginal Corporation
3223	Living Hope Christian Aboriginal & Torres Strait Islander Aboriginal Corporation for Community Welfare
4072	Lower Darling Traditional Owners Aboriginal Corporation
3179	Maddington Christian Aboriginal Corporation
3619	Maiwar Aboriginal Corporation
2900	Marda Aboriginal Corporation
2363	Marle Yaragan (Swan River) Aboriginal Corporation
3297	Mayi Mia Aboriginal Corporation
2592	Menindee Aboriginal Corporation Land Development
2468	Menindee Family Support Group Aboriginal Corporation
2552	Mindaribba Aboriginal Corporation
3167	Miri Aboriginal Corporation
3117	MKMGMK Ailanesians (Malu Lower) Torres Strait Islander Corporation
3984	Moree Shamrock Warriors Aboriginal Corporation

ICN	Corporation
3024	Morowari Tribal Aboriginal Corporation
3018	Morwell Aboriginal Education Consultative Aboriginal Corporation
3519	Mowanjum Artists Spirit of the Wandjina Aboriginal Corporation
2534	Muli Youth & Sport Club Aboriginal Corporation
3460	Mundu Aboriginal Corporation
3183	Munji Heritage & Culture Aboriginal Corporation
3177	Munyunga Training and Development Aboriginal Corporation
3434	Muralagauh Buai Torres Strait Islanders Corporation
2701	Murdi Paaki Training and Employment Aboriginal Corporation
3492	Murragan Aboriginal Corporation
1465	Murri Aid Inala Aboriginal and Torres Strait Islanders Corporation
3435	Namatjira Regional Sporting Association Aboriginal Corporation
3331	Nambucca Valley Rams Aboriginal League Association Aboriginal Corporation
2826	Nanga-Ngoona Moora-Joorga Aboriginal Corporation
1783	Napranum Aboriginal Corporation
2505	National ATSI Student Network Aboriginal Corporation
2971	National Indigenous Aboriginal Rugby League (Aboriginal Corporation)
3257	National Stolen Children Aboriginal Corporation
3265	Newcastle United Sports Aboriginal Corporation
3026	Ngaaga Aboriginal Corporation
3759	Ngadli Mudlunha Aboriginal Corporation
3360	Ngala Aboriginal Corporation
3436	Ngamahl Aboriginal Corporation
3451	Ngarawunja Aboriginal Corporation
2942	Ngarl Ngarl Mia Health Action Aboriginal Corporation
3556	Ngarla Koort Aboriginal Corporation
3140	Ngiyambandi Yaam Yuludarra Aboriginal Corporation
3096	Ngooderi Aboriginal Corporation

ICN	Corporation
2994	Ngoorabul Elders Aboriginal Corporation Glen Innes
3340	Ngoroe-kah Indigenous Performance Aboriginal Corporation
3453	Ngudaarrerp Keetj (Gumlett Tree Spear) Aboriginal Corporation
3611	Ngukurr Meat Supplies and Abattoirs Aboriginal Corporation
3190	Nguluk Mia Aboriginal Corporation
3780	Ngurangga Aboriginal and Torres Strait Islander Corporation for Housing
3048	Ngwely Aboriginal Corporation
3184	Noongar Aboriginal Corporation Cranbrook and Kendenup
2343	North Star Construction Aboriginal Corporation
2935	Nukara Indigenous Womens Aboriginal Corporation
509	Nurapai Torres Strait Islanders Corporation
2659	Nyoongah Sport and Recreation Council (Aboriginal Corporation) for the Central Wheatbelt
3617	Onslow Thalanyji Aboriginal Corporation
2944	Oomari Aboriginal Corporation
3544	Palm Island Businesses Aboriginal Corporation
2478	Palm Island Gospel Outreach Family Care Aboriginal Corporation
3448	Pananykarra Aboriginal Corporation
3881	Parkes Business Aboriginal Corporation
2435	Paruna Aboriginal Corporation
3378	Pimbathella Aboriginal Corporation
2739	Pitjantjatjara Outreach Ministry Crusade (Aboriginal Corporation)
2988	Pituri Pastoral Aboriginal Corporation
3105	Pujawujalki Aboriginal Corporation
3187	Retta Dixon Home Aboriginal Corporation
2554	Roma Gorge Aboriginal Corporation
3397	Sapphire Coast United Warriors Rugby League Football Club Aboriginal Corporation
3672	Sarina Aboriginal & Torres Strait Islanders Corporation for Health, Sporting & Recreation

ICN	Corporation
2595	South East Queensland ATSI Corporation for Sport, Recreation, Social and Economic Activities
3645	South Queensland Traditional Owners Aboriginal Corporation
1772	South West Community Care Aboriginal Corporation
2153	South West Queensland Aboriginal Corporation for Sports and Recreation
1650	Southern and Western Regional Aboriginal Corporation For Justice
3417	Sunraysias Elders Aboriginal Corporation
2401	Sydney Aboriginal Corporation
3736	Sydney Country Music Club Aboriginal Corporation
3314	Sydney Economic Development Aboriginal Corporation
2812	T.I. Meriam Group Torres Strait Islanders Corporation
3356	Tarrin-Dorakin Aboriginal Corporation
2950	The Bok Bok Gallery Aboriginal Corporation
3737	The Cherbourg Aboriginal Media Network Aboriginal Corporation
3513	The Councillor Aboriginal Corporation
2619	The Emanuel Cooper Drop-in Centre Aboriginal Corporation
3616	The Gathering Place (Spiritual and Physical Healing) Aboriginal and Torres Strait Islander Corporation
2965	The Ngarigo of the Maneroo Aboriginal Corporation
3095	Thithaarr-Warra Aboriginal Corporation
3750	Thungutti Burrell Bulia Aboriginal Corporation
3707	Tilagi Land and Sea Aboriginal Corporation
3723	Tjitjiku Ngurra Aboriginal Corporation
3588	Tom Price Aboriginal Corporation
3652	Tomorrows Leaders Camps Aboriginal Corporation
2407	Too Much Dreamtime Aboriginal Corporation
3608	Top of the Tablelands ARUNTA Aboriginal Corporation CDEP
3289	Torres Strait Islanders Corporation for Indigenous Culture
2825	Tourism Manjimup Aboriginal Corporation

ICN	Corporation
2602	Trad-Art Aboriginal Corporation
2919	Traditional Tribal Mutthi-Mutthi Aboriginal Corporation
3365	Tuki-Up Aboriginal Corporation
2445	Unit Committee T.S. Carpentaria (Aboriginal and Torres Strait Islanders Corporation)
3082	Upper Clarence Jabiros Rugby League Aboriginal Corporation
2103	Waagul Aboriginal Corporation
3278	Wadjari Aboriginal Corporation
3286	Wakka Wakka Aboriginal Corporation Land Council
3689	Walgun Aboriginal Corporation
1526	Waljjukurru Aboriginal Corporation
2559	Walter McGuire & Sons Aboriginal Corporation
2033	Wambali Aboriginal Corporation
2159	Wandra Wandian Aboriginal Corporation
2939	Wangkumarra Land Council Aboriginal Corporation
3550	Wannamurragunya Aboriginal Corporation
3	Warran Aboriginal Corporation
3663	Warregal Management & Consultancy Aboriginal Corporation
3462	Watarru Enterprises Aboriginal Corporation
1237	Wattle Hill Housing and Advancement Aboriginal Corporation
2581	Waukaba Aboriginal Corporation
2615	Wayah Aboriginal Corporation
2187	Wellington Aboriginal Corporation Sports Club
2163	Western Suburbs Enterprise Development Aboriginal Corporation
3211	Westerners Aboriginal Corporation
1589	Wiimpatja Wana Aboriginal Corporation
2533	Wilgee Aboriginal Legal Community Aboriginal Corporation
3760	Winangaay NSW Indigenous Youth Culture & Fitness Aboriginal Corporation
3459	Winyuduwa Aboriginal Corporation

ICN	Corporation
2567	Wiputa Aboriginal Corporation
2524	Wiradjuri Amaroo Land Kommittee (Walk) Aboriginal Corporation
2584	Wodi-Wodi Youth Committee Aboriginal Corporation
3131	Woghun Web-Barrd Aboriginal Corporation
2678	Woodray Murr ridge Aboriginal Corporation
2889	Woonghi Youth, Sport & Recreation Aboriginal Corporation
3403	Woorabinda Elders Aboriginal Corporation
2707	Wunnamurra Aboriginal & Torres Strait Islanders Corporation for Sport
3407	Wurrumalu Thalanyji Aboriginal Corporation
2728	Wuyagiba Numamurdirdi Aboriginal Corporation
3614	Wyullburra Binbi Aboriginal Corporation for Social Justice
2639	Yabuna Ooloma Council of Elders Aboriginal Corporation
2946	Yagungu-Nya Aboriginal Corporation
2709	Yamba All Blacks Rugby League Aboriginal Corporation
387	Yanangu Stores Association (Aboriginal Corporation)
3247	Yarnawakoo Aboriginal Corporation
3773	Yathapurrunha Aboriginal Corporation
2587	Yinarr Bambar Aboriginal Corporation
3446	Yongar Quarberup Aboriginal Corporation
3495	Yorke Island Fishermens (Torres Strait Islander) Corporation
3325	Youttinga Aboriginal Corporation
310	Yuddika (Aboriginal and Torres Strait Islanders Corporation)
1818	Yuroke Investments Aboriginal Corporation
1224	Yurundiali Aboriginal Corporation
3152	Yuturminy Aboriginal Corporation



## Attachment 12—Indigenous corporations under ACA Act with highest known income\*

Figure 105 Ref	ICN	Corporation	Grant	Other	Total
A	29	Bawinanga Aboriginal Corporation	\$10 495 857	\$12 146 228	\$22 642 085
B	2719	Kaarta-Moorda Aboriginal Corporation	\$10 997 196	\$2 167 380	\$13 164 576
C	2102	Bungala Aboriginal Corporation	\$12 407 843	\$0	\$12 407 843
D	3068	Katherine West Health Board Aboriginal Corporation	\$8 804 261	\$700 358	\$9 504 619
E	21	Kimberley Land Council Aboriginal Corporation	\$6 517 054	\$2 775 829	\$9 292 883
F	232	Southern Aboriginal Corporation	\$7 104 716	\$785 268	\$7 889 984
G	868	Julalikari Council Aboriginal Corporation	\$2 137 639	\$5 702 805	\$7 840 444
H	443	Ngaanyatjarra Services Aboriginal Corporation	\$0	\$7 125 159	\$7 125 159
I	4170	Sunrise Health Service Aboriginal Corporation	\$5 597 780	\$1 223 948	\$6 821 728
J	27	Durri Aboriginal Corporation Medical Service	\$5 734 832	\$1 086 700	\$6 821 532
K	2570	Maari Ma Health Aboriginal Corporation	\$5 919 717	\$294 038	\$6 213 755
L	267	Tjuwanpa Outstation Resource Centre (Aboriginal Corporation)	\$5 207 949	\$769 307	\$5 977 256
M	2958	South-West Aboriginal Medical Service Aboriginal Corporation	\$3 290 408	\$2 580 519	\$5 870 927

Figure 105 Ref	ICN	Corporation	Grant	Other	Total
N	2705	Wila Gutharra Community Aboriginal Corporation	\$4 544 168	\$1 271 044	\$5 815 212
O	1124	Booroongen Djugun Aboriginal Corporation	\$4 287 710	\$1 416 353	\$5 704 063
P	3976	Cairns Regional Community Development & Employment Aboriginal & Torres Strait Islander Corporation	\$5 615 611	\$75 342	\$5 690 953
Q	197	Bega Garnbirringu Health Services Aboriginal Corporation	\$4 665 683	\$766 010	\$5 431 693
R	3003	Nooda Ngulegoo Aboriginal Corporation	\$5 283 782	\$42 606	\$5 326 388
S	1902	Anangu Pitjantjatjara Services Aboriginal Corporation	\$1 116 800	\$4 011 619	\$5 128 419
T	283	Anyinginyi Health Aboriginal Corporation	\$4 245 225	\$855 528	\$5 100 753
U	12	Broome Regional Aboriginal Medical Service (Aboriginal Corporation)	\$2 231 666	\$2 813 261	\$5 044 927
V	360	Wheatbelt Aboriginal Corporation	\$3 563 433	\$1 411 472	\$4 974 905
W	1094	Bama-Ngappi-Ngappi Aboriginal Corporation	\$1 769 294	\$3 065 767	\$4 835 061
X	99	Biripi Aboriginal Corporation Medical Centre	\$3 653 536	\$850 880	\$4 504 416
Y	1163	Cape York Land Council Aboriginal Corporation	\$4 291 052	\$114 464	\$4 405 516

\* See Figure 105 on page 315 for location of these 25 corporations.

## Attachment 13—The Corporations (Aboriginal and Torres Strait Islander) Bill 2005

Following a review of the *Aboriginal Councils and Associations Act 1976* (the ACA Act) in 2002, the Corporations (Aboriginal and Torres Strait Islander) Bill 2005 was introduced into the Australian Parliament on 23 June 2005.

### The review

- February 2001: the Registrar commissioned a review of the ACA Act, led by law firm Corrs Chambers Westgarth. The review team included specialists Senatore Brennan Rashid, Professor Mick Dodson, Dr Christos Mantziaris and Anthropos Consulting.
- December 2002: final report of the review presented.

### Consultations

- April–May 2001/  
March–June 2002: two rounds of consultations and 2 workshops in Alice Springs.
- Questionnaires: sent to all associations incorporated under the ACA Act and to 345 Indigenous organisations incorporated under other Commonwealth, state and territory legislation.
- Advertisements: placed in Indigenous publications, including the *Koori Mail*, *National Indigenous Times*, *Yamatji News* and the *Torres Strait News*, calling for submissions and comments.
- run on the National Indigenous Radio Service (NIRS) network during March and April 2002. NIRS can broadcast to over 120 Indigenous radio stations Australia-wide, including the BRACS network in remote areas.
- ORAC website: included details of the review and copies of the consultation papers and the questionnaires for Indigenous corporations.
- Information sheets: on the review and a copy of a summary consultation paper distributed to all participants at the Indigenous Governance Conference held by Reconciliation Australia in April 2002.
- Consultation papers: sent to key stakeholders, seeking submissions.
- Separate briefings: provided to members of six ATSIC Regional Councils and the ATSIC Board. Board members were updated on the progress of the review and were given advance copies of the consultation papers.

## Key features

### Human rights

- The Bill is intended to benefit Indigenous people and will be a ‘special measure’ consistent with the *Racial Discrimination Act 1975* (RD Act).
- Registering under the RD Act is largely optional. The exception is most native title corporations which are already required to register under the ACA Act, and they will transition in to the new Act along with other existing corporations.
- The Bill provides new and unique opportunities to align corporate design to culture—there is international and local evidence that maximising cultural match builds more successful Indigenous corporations.
- The Registrar can take action on behalf of members and respond preventatively, providing a safety net for essential remote funds, assets and services.

### Support

- The Registrar can protect members’ rights if they are unable to or lack the capacity to take action themselves.
- The Registrar can assist with dispute prevention and provide education and advice.

### Cultural alignment

- Indigenous people can design corporate structures and rules which best suit their specific needs, whether by reference to cultural practices or otherwise.
- The Bill ensures that proper compliance with the *Native Title Act 1993* does not contravene requirements of the Bill.
- The Bill removes excessive red tape by streaming corporations into small, medium and large for reporting purposes. Generally, reporting will decrease for small and medium corporations and increase for large corporations.

### Accountability

- Consultations with communities revealed strong support for more rigorous accountability of managers, directors and CEOs. The Bill responds to this call in a number of ways outlined below.
- The Bill closes the regulatory gap that existed between the ACA Act and the *Corporations Act 2001*. For example, under the ACA Act it was unclear whether the affairs of related bodies, such as trusts, could be examined. The Bill makes it clear that, like ASIC, the Registrar can examine the affairs of persons or bodies connected with Aboriginal and Torres Strait Islander corporations.
- The Bill allows for individuals to be automatically disqualified from managing Aboriginal and Torres Strait Islander corporations if they are disqualified from managing corporations under the *Corporations Act 2001*.

- The Bill applies directors' duties to senior management, and ensures appropriate duties apply to both directors and senior management. This is aligned with the *Corporations Act 2001*.
- Funding bodies and creditors can take a more proactive role in protecting their interests. This is implemented in the Bill by aligning with the external administration provisions of the *Corporations Act 2001* and through a number of transparency measures such as allowing observers and enabling consolidated reporting for groups of corporations.
- The Register of Aboriginal and Torres Strait Islander Corporations will be enhanced in line with other comparable registers underpinning the call for greater transparency and accountability.

#### Good corporate governance

- Unlike most corporations under mainstream legislation, corporations registered under the ACA Act will be required to have an internal governance framework which will be kept on a register maintained by the Registrar, in the interests of complete transparency in their decision making.
- The framework incorporates mandatory elements (unless exempted by the Registrar), replaceable rules and tailored rules. It will be approved by the Registrar and placed on the public register. An example of a mandatory requirement is that the maximum number of directors is 12, to ensure Boards are made up of manageable numbers in terms of good decision making and costs.

## Glossary of terms and abbreviations

administration	The Registrar can appoint an administrator to govern and manage the affairs of a corporation. They offer an alternative to winding up, and aim to achieve turnaround for a struggling corporation.
capacity building	This is about supporting individuals, groups and organisations to build on their strengths and improve their weaknesses for a better future.
case coordination and management	This is about ORAC providing one person to work with a corporation if it has a lot of contact with ORAC. This means corporations receive a more personal service, and ORAC can be more informed in the way it assists corporations.
compliance	Corporations must comply with the ACA Act which sets out some rules for how Indigenous corporations must be run, and also requires some reports to be forwarded to ORAC every year.
corporate governance	Corporate governance is how people lead and run their organisations.
corporate governance training	ORAC runs training on good corporate governance for Indigenous board members, senior staff, members and others.
corporations' rules	These are the rules for how a corporation is run. Some are set down in the ACA Act and some are created by the corporation itself.
deregistration	Deregistration is the cancellation of a corporation's registration, so that it ceases to exist as a corporation. Corporations which are not operating and no longer needed will be deregistered.
incorporation	Incorporation means becoming a legal body under Australian law. This gives groups which incorporate some extra rights, and also brings extra responsibilities.
incorporation support	ORAC provides information and advice to groups before incorporating, and to corporations after they have incorporated.

registered corporations	These are corporations which have incorporated under the ACA Act and are listed on the Public Register of Indigenous Corporations maintained by ORAC.
place planning	This is developing a plan for an area that looks at all its corporate governance needs—so, if there are several corporations in a particular area, then they would be looked at together. ORAC can also respond better to any big issues that affect the whole area.
plain English	ORAC tries to make sure that its publications and information are written as plainly and clearly as possible.
regulation	The Registrar has a number of regulatory powers under the ACA Act to intervene to solve problems within corporations, such as the power to examine the records and documents of a corporation.

## Abbreviations

ACA Act	<i>Aboriginal Councils and Associations Act 1976</i>
ASIC	Australian Securities and Investment Commission
ATSIC	Aboriginal and Torres Strait Islander Commission
the Bill	Corporations (Aboriginal and Torres Strait Islander) Bill 2005
CDEP	Community Development Employment Projects
DEST	Department of Education, Science and Training
DEWR	Department of Employment and Workplace Relations
DIMIA	Department of Immigration and Multicultural and Indigenous Affairs
ERIC	Electronic Register of Indigenous Corporations
FACS	Department of Family and Community Services
FOI Act	<i>Freedom of Information Act 1982</i>
ICCs	Indigenous Coordination Centres
ICN	Indigenous Corporation Number
OATSIH	Office of Aboriginal and Torres Strait Islander Health
OEA	Office of Evaluation and Audit
OIPC	Office of Indigenous Policy Coordination
ORAC	Office of the Registrar of Aboriginal Corporations
the Registrar	The Registrar of Aboriginal Corporations
the Register	This is the Public Register of Indigenous Corporations. It lists all the corporations incorporated under the ACA Act. It also holds information that these corporations are required by the law to send to ORAC, such as lists of members and annual financial statements.



## Outcome 5—Administered items

### INDIGENOUS WOMEN'S DEVELOPMENT

#### Objectives

To:

- strengthen the development of Indigenous women leaders to launch them into broader representative and other leadership positions
- provide opportunities for Indigenous women to share knowledge through a network of support
- provide support to Indigenous men to reconnect with family responsibilities and support women's leadership.

#### Description

In the 2004–05 Budget, \$16.5 million over four years was provided for three initiatives under the Indigenous Women's Development Program. These initiatives are:

- Indigenous Women's Leadership—which targets women already making a difference in their own communities. Each year up to 70 Indigenous women are selected to take part in a leadership and skills development program, and then given the opportunity to practise leadership by delivering a community-development experience focused on relevant local issues
- Networking Indigenous Women—which fosters connections and information sharing among women at the local, regional and national level
- Indigenous Men and Family Relationships—which focuses on the leadership skills of Indigenous men.

This Budget measure is part of the government's agenda to build capacity in Indigenous communities, and to ensure that women in particular have the opportunity to contribute to community decision-making.

#### Analysis of performance

In its first year of operation, the program has generated an emphasis on leadership and personal responsibility for community wellbeing within Indigenous communities across Australia. Achievements included:

- support for 84 Indigenous women leaders to increase their leadership skills, confidence and level of involvement in community development
- 3000 Indigenous people participating in gatherings or workshops focused on local priorities

- 80 Indigenous men sharing their expertise, skills and knowledge, and forming networks to enhance their community work
- 280 Indigenous women participating in the first National Indigenous Women's Conference.

### Indigenous Women's Leadership

Seventy leaders and 18 coaches were selected to participate in the 2004–05 Indigenous Women's Leadership Program, with 68 leaders and 16 coaches taking part. Thirty-eight of the leaders were involved in the planning and delivery of 36 community gatherings and workshops across Australia, with 3000 women, men and children from Indigenous communities participating. Other leaders practised their leadership skills through increased involvement in local community development activities.

### Networking Indigenous Women

The first National Indigenous Women's Conference held in June 2005 explored leading-edge thinking on leadership, community development and the best ways for Indigenous women to develop and maintain networks. More than 500 Indigenous women submitted expressions of interest, and 280 were selected to attend. They were of diverse ages and represented a range of community development experiences from remote, regional and urban areas.

In addition to the annual conference, the networking initiative capitalised on this variety of experiences, ages and locations to build and maintain networks through establishment of:

- a quarterly newsletter focusing on individual leadership experiences, family and community-development initiatives, and activities and events of interest
- a secure database where Indigenous women who choose to be part of the network can access each other's contact details and share information about local initiatives.

### Indigenous Men and Family Relationships

The first National Indigenous Men and Families Forum was held in March 2005, and attended by 80 Indigenous men involved in community development, particularly in relation to men and families. Feedback from participants indicated that the forum was effective in bringing together Indigenous men from across Australia for the purpose of:

- developing effective models of Indigenous men's leadership
- promoting ways in which men can support women's leadership
- developing a network of mutual support among men involved in these issues.

## Outcome 5—Administered items

### **SHARED RESPONSIBILITY AGREEMENTS (SRA) IMPLEMENTATION ASSISTANCE**

#### **Objectives**

To:

- support the establishment of effective and workable Shared Responsibility Agreements (SRAs) which start to redefine the way governments and Indigenous communities work together through ready access to flexible funding
- resource consultations on new regional Indigenous representative networks being formed from July 2005.

#### **Description**

This program supports the development and implementation of new ways of engaging directly with Indigenous Australians at the regional and local level through:

- SRAs at the community/clan/family level, which spell out what all partners will contribute to bringing about beneficial long-term changes in Indigenous communities
- Regional Partnership Agreements (RPAs), to help customise and shape government interventions in a region.

These are foundation elements of the Australian Government's new arrangements in Indigenous affairs, administered through Indigenous Coordination Centres (ICCs).

Funds are provided for innovative cross-agency activities that do not neatly fall into individual portfolio allocations, including:

- 'kick starting' activities, with ongoing support to be drawn from across Australian and state and territory governments as needed
- the purchase of capital items to improve community infrastructure
- the provision of seed funding to leverage corporate and philanthropic sector engagement with communities in activities under SRAs
- brokering specialised expertise to assist community development
- governance projects to enable local people to participate effectively in SRAs
- support to local leaders in early implementation and to assist communities to self-assess on SRA progress.

In 2004–05 funding was also provided for activities under two former ATSIIS programs:

- Community Participation Agreements (CPAs), a 2001 Budget initiative funded for four years, helping people in remote Indigenous communities identify practical ways of contributing to their communities in return for income support from the social security system
- Communities in Crisis, a CPA element arising from the Prime Minister's Indigenous family violence package of July 2003.

### Analysis of performance

\$15 million was allocated to SRA implementation, with \$14.5 million spent. The SRA Implementation Assistance Program supported the development of the 76 SRAs in 64 communities that have been announced by the Government. This was considerably more than the target of 50 set for the first year of the new arrangements. The SRAs cover a range of themes including:

- economic development
- building the capacity of communities
- improving the health and wellbeing of families, women and men
- improving education outcomes for children
- community infrastructure
- making communities safer.

These SRAs will build towards the long-term vision and plans that Indigenous people have for their communities (see Outcome 5 Administered Item: Developing a 20–30 Year Vision).

The access to flexible funding through this program allowed for faster implementation of local solutions to priority needs, and quicker responses to ideas generated by local communities that often could not be funded from existing programs. It also allowed government to support community development and engagement where these were essential pre-conditions before local people could effectively engage in SRA negotiations.

In many SRAs, flexible funding successfully encouraged engagement and funding contributions from a range of other Australian and state/territory government agencies. For example, in Mitchell, QLD, the Australian Government (through a number of agencies) funded the construction of the Yumba Interpretive Walking Trail to help develop a viable tourist attraction to share the Yumba story with school children, tourists and the local community. Community Development Employment Projects participants will provide the labour.

A small number of activities supporting or expanding engagement between the corporate sector, Indigenous communities and governments also began, some building on previous experiences in the Council of Australian Governments (COAG)

trial sites (see Outcome 3 Administered Item: Cross Portfolio Indigenous Flexible Funding Arrangements).

### **Regional Partnership Agreements (RPAs)**

Negotiation of RPAs has also advanced, with agreements being developed in the Ngaanyatjarra Lands, WA, and Anangu Pitjantjatjara Yankunytjatjara Lands, SA.

### **Community Participation Agreements (CPAs)**

CPA activities were supported in 11 remote communities. Work started on ways to build on the existing initiatives through developing SRAs and progressing a phased implementation to lift the Remote Area Exemptions that now operate in the social security system, with CPA activities enabling people to meet activity test requirements.

### **Communities in Crisis (CIC)**

A range of interventions were funded in 11 remote communities in the Northern Territory, Western Australia and South Australia under the CIC initiative, with funding approved for a further three communities in Queensland where work will start in 2005–06.

### **Regional representation**

OIPC worked through ICCs with Indigenous communities and the ATSIC Regional Councils (in place until 30 June 2005) to discuss new ways in which Indigenous people could engage with governments into the future. We facilitated consultation meetings with communities to consider options for engagement and representation in the context of the new arrangements in Indigenous affairs.

Through these processes, 10 regions had finalised new representation proposals by 30 June 2005, several other regions were close to completing their proposals, and community consultations were continuing in other areas.

New representative bodies can act as the interface between communities and governments. They will help articulate community views and provide a framework for contributing to RPAs. The community consultations have elicited new ideas on representation and, as a result, the proposals are diverse, reflecting the different circumstances of Indigenous communities. For example, the Kullarri Regional Indigenous Body in the west Kimberley, WA, consists of 12 representatives from four discrete clans. As well as advocating on behalf of the Indigenous community, Kullarri Regional Indigenous Body has a role in offering advice, monitoring outcomes of service providers and drafting regional plans. In Central Queensland, the community has expressed a desire for a three-tiered model that will feed local issues into an overarching Central Queensland Aboriginal and Torres Strait Islander Regional Forum.

## Outcome 5—Administered items

### INDIGENOUS COMMUNITIES—DEVELOPING A 20–30 YEAR VISION

#### Objective

To help communities develop a 20 to 30 year vision as part of the Australian Government's approach to capacity building in Indigenous communities.

#### Description

Funding is provided:

- to enable communities to focus on their longer-term aspirations for their children and grandchildren and to identify what is required to reach these goals
- to build skills and capacity in communities, recognising that sustainable change will take time
- to facilitate community engagement in the development and implementation of Shared Responsibility Agreements (SRAs), including developing measures that will improve longer-term outcomes for communities rather than short-term palliatives.

Determining longer-term community aspirations is fundamental to the development of SRAs. This bottom-up consultation in communities where priorities are identified as the basis for SRAs will be aggregated into themes to be considered in the development of the Government's longer-term Indigenous policy by the Ministerial Taskforce on Indigenous Affairs.

#### Analysis of performance

Given its nature, this initiative has to be implemented in close conjunction with the development of SRAs. Effective roll-out requires strong community involvement and support. A comprehensive community engagement plan and community consultations are the necessary first steps to maximise participation and genuine bottom-up determination of long-term community aspirations.

As this initiative was approved in late 2004, the required lead times limited the ability to substantially progress implementation in 2004–05. Preparatory work started in 2004–05, with full implementation to occur in 2005–06.

## Outcome 5—Administered items

### **INDIGENOUS AUSTRALIANS—IMPROVING SCHOOL ATTENDANCE IN REMOTE AREAS**

#### **Objective**

To:

- improve school attendance rates in remote Indigenous communities
- ensure community participation in implementing and maintaining the program
- provide added benefits such as improved amenities and health outcomes.

#### **Description**

Funding is provided for the construction of swimming pools in remote Indigenous communities, under a 'no school, no pool' policy. Communities will run and supervise the pools and ensure that access to the pool depends on attendance at school. Arrangements to monitor school attendance, pool management and maintenance, and training and support for health and safety are to be put in place. It is based on a successful 'no school, no pool' initiative trialled in the Northern Territory.

Funding is dependent on cost-sharing arrangements with state and territory governments. Community commitments are negotiated through Shared Responsibility Agreements (SRAs) and could include employing local people to build and maintain the pool and run activities for children.

#### **Analysis of performance**

The construction of three new swimming pools was negotiated with communities and the Western Australian and South Australian Governments. Funding was provided to the state governments, which will be responsible for managing the pool construction and recurrent costs, with communities agreeing to implement 'no school, no pool' policies.

Given the lead times involved in pool construction and development of SRAs, roll-out will be occurring in 2005–06, including the collection of performance information linked to the implementation of 'no school, no pool' SRAs.

**PART 3:** Management and accountability





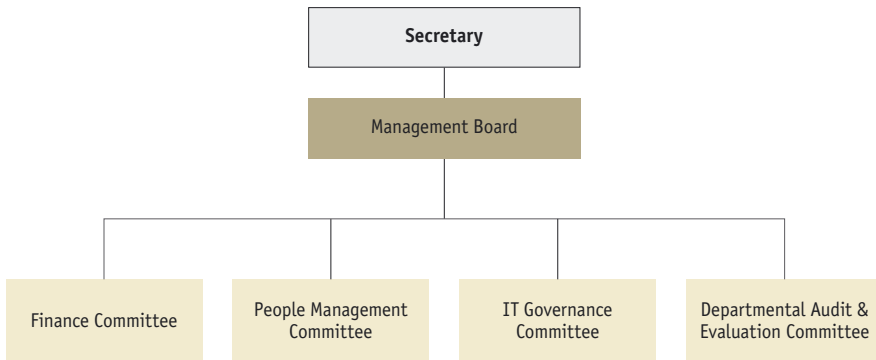
# Corporate governance

## SENIOR MANAGEMENT COMMITTEES AND THEIR ROLES

The senior management responsibilities of the department are shown in the corporate structure chart on pages 12 and 13.

The department's executive arrangements include a Management Board, Finance Committee, Departmental Audit and Evaluation Committee, People Management Committee, and IT Governance Committee. During the year the Senior Management Committees reviewed their terms of reference to ensure that their roles, responsibilities and accountabilities were clearly documented. The following diagram shows the various Executive Management Committees.

Figure 115: Senior Management Committees



The Management Board (MB) is responsible for providing leadership and overall management of the department through the development of strategies and plans. The MB monitors the achievement of departmental outputs centrally, in state and territory offices and overseas through an established reporting framework, and is supported by a number of specialised committees.

The Finance Committee provides advice to the MB on strategic financial management issues, planning and performance monitoring, and reporting. The Finance 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 our focus on strategic human resource management with a view to achieving high performance outcomes and becoming an employer of choice. The People Management Committee provides guidance to the MB on a wide range of strategic people management issues.

The IT Governance Committee provides advice on the carriage of major technological matters and makes recommendations on strategic directions for technology that are consistent with government objectives and the department's business strategies.

The Departmental Audit and Evaluation Committee (DAEC) provides regular assurance to the Secretary and the MB on the efficiency, effectiveness and probity of our activities.

In addition to the Senior Management Committees listed above, we have established the following steering committees to help manage particular issues:

- the Departmental Security Steering Committee provides the MB 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 MB regarding strategic directions for client access and ensures that these are consistent with government objectives and business directions
- the Identity Fraud Management Steering Committee oversees and coordinates activities across the department related to identity fraud and proof of identity
- the Biometrics Steering Committee oversees and coordinates the work done within the department on biometrics to ensure that it meets the department's corporate needs.

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 including the implications of legislative, funding, organisational, technological and procedural changes for employees.

## **CORPORATE AND OPERATIONAL PLANNING, AND PERFORMANCE REPORTING AND REVIEW**

The department's strategic plan, *Business Directions 2002–2005*, outlines our strategic directions. It provides high-level guidance for departmental staff on the specific objectives relating to each of the (then) three departmental 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 department plans 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 links between various activities and to promote integrated planning at all levels.

The second companion document, *Investing in People*, describes the department's people management strategy. It expands on the 'employer of choice' elements of the *Business Directions 2002–2005* and *Investing for 2005 and beyond* documents.

The development of a replacement strategic plan for the period 2005–08 is under way. As well as documenting major changes in our business directions, key objectives will be to identify future information needs, integrate key business risks and ensure alignment between all levels of our 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. Our business planning principles and planning framework are available on the intranet to assist in planning processes.

Over recent years the links between the *Business Directions 2002–2005*, the PBS and the annual report have been more clearly articulated as part of a strategy to align planning and performance monitoring with internal and external reporting. To further tighten the link back to individual performance, the department has continued to improve its Performance and Learning Scheme. Improvements to that Scheme are designed to provide a stronger relationship between individual agreements and broader departmental business plans and objectives.

The Monthly Performance Report (MPR) is presented to the MB each month to provide a consolidated summary of information on key, emerging issues and trends across the department. The MPR also highlights noteworthy exceptions to output targets. The look of the MPR has evolved over a number of years, and is the subject of ongoing improvement as work practices and reporting requirements change. A significant development this year was the introduction of a graphical trend analysis, reflecting performance against PBS performance measures over the previous six months.

The Finance Committee, People Management Committee, IT Governance Committee and the Departmental Audit and Evaluation Committee 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 MB annually.

In order to improve further reporting and analysis capacity, an enterprise data warehouse is under development. The warehouse covers financial data, human resource information and a wide range of program activity, both onshore and offshore. A Reporting Coordination Unit within the Corporate Governance Division

oversights the prioritisation of reporting and analysis requirements sourced from the warehouse to ensure 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 are provided online and in hard copy at regular intervals, including daily where required.

The reporting framework is designed to support effective planning at both the operational and strategic level.

External performance reporting is prepared on an outcomes, outputs and output component basis. The department's activities deliver eighteen outputs:

- 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 haven
- Output 1.5 Offshore Asylum Seeker Management
- Output 2.1 Settlement Services
- Output 2.2 Translating and Interpreting Services
- Output 2.3 Australian Citizenship
- Output 2.4 Promoting the Benefits of Cultural Diversity
- Output 3.1 Indigenous Policy
- Output 4.1 Policy and Advocacy
- Output 4.2 Evaluation and Audit
- Output 4.3 Home Loans
- Output 5.1 Promotion of Cultural Authority
- Output 5.2 Advancement of Indigenous Rights and Equity
- Output 5.3 Improvement to Social and Physical Wellbeing
- Output 5.4 Economic Development
- Output 5.5 Capacity Building and Quality Assurance

The Office of Indigenous Policy Coordination (OIPC) manages Outcomes 3, 4 and 5. Outcomes 4 and 5 were created to provide a mechanism to transfer former Aboriginal and Torres Strait Islander Commission and Aboriginal and Torres Strait Island Services functions to the department. Outcomes 3, 4 and 5 will be combined to form a new Outcome 3 for the commencement of the 2005–06 program year.

## **RISK MANAGEMENT AND INTERNAL AUDIT ARRANGEMENTS**

### **Risk management**

The department's Risk Management Framework helps our staff to make more informed decisions and provides assurance to our ministers and the Australian community that risks have been properly recognised and adequately managed.

During 2004–05, a new Risk Management Framework was endorsed by the Management Board, integrating formal risk management practice into a range of governance activities, including resource planning, business planning, contract management, insurance, audit and benefits realisation activities. The enhancements to the current framework build on risk management activities implemented over recent years and recognise that formal risk management practice must continually be reviewed in order to remain effective. Risk management awareness among staff has continued to improve over the course of 2004–05 and the department again rated well in ComCover's annual Risk Management Benchmarking Survey.

The Internal Audit Program and other control self-assessment tools remain important elements of our risk management strategy.

### **Audit Committee**

The Departmental Audit and Evaluation Committee (DAEC) is a key element of our corporate governance and assurance arrangements. It aims to provide 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, business continuity management and fraud control frameworks, and promoting a risk management and fraud awareness culture within the department. A review of the DAEC Charter began in 2004–05 in order to align DAEC's role and responsibilities with ANAO better practice.

### **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 seven and a half years. In addition, we are in the process of tendering for supplementary audit, review and risk management services, with a decision on a panel of preferred service providers expected to be made in 2005–06.

We cooperate with the ANAO to coordinate overall audit activity within the department. The ANAO is invited to DAEC meetings and attends the Financial Statements Sub-Committee of the DAEC.

The Internal Audit Program (IAP) is developed following consultation with senior executives and managers. In 2004–05, consultation focused on identification of the major risks facing the department and facilitated the development of a risk profile. 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 for further DAEC consideration. The resulting IAP consists of a mix of high-priority cross-agency and specific area audits.

Twelve audits were completed in 2004–05, ten of which were part of the 2003–04 IAP. A further fourteen audits from the 2004–05 IAP are in progress and expected to be completed during the first quarter of 2005–06. Audit report recommendations flowing from the IAP are monitored until they have been implemented.

### **Other risk-mitigating strategies**

Control self-assessment tools aim to monitor performance and compliance across a range of the department's financial, administrative and decision-making activities, with managers making 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.

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 the department employs to review decision-making and decision-making processes. The number of QCCs has increased during 2004–05 and will be expanded further in 2005–06. Both FACTs and QCCs are onshore tools aimed at assuring compliance with built-in controls.

The Overseas Audit and Security Check (OASC) is another quality assurance tool. OASC audits the work of overseas posts and is undertaken on a six-monthly basis covering financial assurance, employee conduct, security issues, service standards, business continuity planning, information technology, delegations and decision-making. Items for checking are under regular review. Future checks will include occupational health and safety issues and checks on tasking for cases referred under global working arrangements. A major review of all our quality assurance processes began in 2004–05.

### **FRAUD MEASURES**

The department has had a fraud risk assessment and control plan in place since 1999. A new plan covering the period 2004–06 was issued in August 2004. A Fraud Control Framework was also developed during 2004–05. It is expected to be issued early in 2005–06.

We have in place measures to prevent, detect, investigate and report internal and external fraud. In accordance with the Commonwealth Fraud Control Guidelines, we report annually on these fraud measures.

### **ESTABLISHMENT AND MAINTENANCE OF ETHICAL STANDARDS**

The department revised its Code of Conduct Guidelines during 2004–05. These guidelines build upon the legislated Australian Public Service (APS) values.

We delivered Code of Conduct training to 2033 staff during 2004–05. We revised our Code of Conduct induction and refresher training courses as a result of the establishment of the Office of Indigenous Policy Coordination (OIPC) and the resulting incorporation of former Aboriginal and Torres Strait Islander Services/Aboriginal and Torres Strait Islander Commission (ATSIS/ATSIC) staff into the department. The revised training includes the customisation of our Code of Conduct training materials so they are relevant to OIPC staff, including those in regional and remote areas. A module titled 'Modelling ethical behaviour' has been included in our supervision training course, 'Fundamentals of Supervision'. This module covers APS Values and Code of Conduct principles and responsibilities, and includes practical strategies for promoting these among employees.

A network of 96 Harassment Contact Officers was maintained and supported. The network provides 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.

We received 205 allegations relating to the conduct of staff during 2004–05 (193 in 2003–04). Two hundred and seventy four investigations were finalised, of which 85 per cent were unfounded. Three matters involved a serious possibility of criminal behaviour and were referred to the Director of Public Prosecutions. Three 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 in Australia, one employee had their employment terminated, one was demoted, eight resigned during the investigations and seven were reprimanded.

## Performance against the Client Service Charter

### REVIEW OF THE CLIENT SERVICE CHARTER

The department's Client Service Charter (Charter) and companion brochure *Do you have a complaint* were introduced in 1998. The Charter informs clients about the standard of service they can expect from our staff and advises clients how they can help our staff to serve them better. The *Do you have a complaint* brochure informs clients about the avenues they can use to comment on our performance or to make a complaint.

We reviewed the Charter in 2004 and developed a revised draft Charter in 2005. In addition, to support the Charter we developed a Client Service Strategy for Visa and Citizenship Services that outlines the ways in which improvements can be made to these services.

### Performance against the charter service standards

The department continued to perform well against the Charter's service standards, with onshore offices and overseas posts exceeding the benchmark performance in nine of the 13 service standards measured.

We continued to improve performance against the delivery of services to a diverse range of clients through a variety of service improvement initiatives.

A National Appointment System (NAS) was successfully implemented in September 2004. This allows visa and citizenship clients to make an appointment to visit a department office for certain services. The appointments system gives clients more certainty about when they will be seen and enables us to improve timeliness standards. Clients can make appointments by telephoning our contact centres in Sydney and Melbourne. A total of 87 140 appointments were made between September 2004 and 30 June 2005. We propose to expand the appointments system in 2005–06 to increase the range of services offered by appointment.

A Client Information Taskforce was established in March 2005 to review the consistency and clarity of information available to clients. Principal goals for the taskforce are:

- ensure clients' needs are understood and met in the preparation of information



*Answering a Call Centre enquiry.*



- introduce plain English principles into all our written communication and maintain those principles as the departmental standard
- work closely with all areas of the department to develop norms and standards for the development and delivery of client information
- develop systems to maintain improvements.

In May 2005, the department implemented a staff identification policy that documents how staff should meet the Charter commitment to identify themselves to clients ensuring they provide a professional and accountable service. An important aspect of this policy is the introduction of name badges for staff working in all client contact situations.

In addition, the department has:

- expanded visa lodgement opportunities by wider use of the Internet and an expanded network of service delivery partners to receive applications
- undertaken continued user-testing on our website to guide improvements to the navigation structure and information content
- extended contact centre operating hours
- introduced a new telephony system to provide better support to our contact centres
- developed and delivered client contact training to equip staff with the communication and interpersonal skills they need to provide a quality service to clients.

### **Feedback handling review and complaints data**

Clients can currently provide feedback to the department by using a tear-off portion of the *Do you have a complaint* brochure, by telephoning the 133 177 Client Service Feedback Line, or by contacting any office by letter, fax or email.

The total number of calls made to the Client Service Feedback Line 133 177 number reduced significantly in 2004–05 to 9376 compared to 12 432 in 2003–04. This reduction was due to more efficient call handling following centralisation of these calls through the Contact Centres. This is attributed to the ability of the Contact Centres to queue multiple calls. Previously, a Complaint Handling Officer (CHO) could only manage one call at a time, resulting in some clients having to make multiple contacts in order to speak to a CHO.

The majority of these calls were resolved by contact centre staff. A total of 1762 calls were referred to a CHO for resolution, which compares to 2105 calls referred in 2003–04. This reduction is consistent with the decline in the total number of calls made to the 133 177 number since 2003–04.

The level of compliments increased significantly in 2004–05 with 816 compliments recorded compared to 517 in 2003–04.

Our complaints handling arrangements were examined in the Client Service Charter review. Revised feedback handling arrangements are to be implemented in 2005–06.

## External scrutiny

### JUDICIAL DECISIONS AND DECISIONS OF ADMINISTRATIVE TRIBUNALS

Decision-making under the *Migration Act 1958* and *Australian Citizenship Act 1948* is subject to a high level of external scrutiny, by Tribunals and by the courts. Almost all visa decisions made by the department in Australia are subject to full merit review by the Refugee Review Tribunal (RRT) (protection visas) or the Migration Review Tribunal (MRT) (other visas). The Administrative Appeals Tribunal (AAT) has jurisdiction in relation to citizenship decisions, decisions about migration agent registration, and some visa decisions made on 'character' grounds (character decisions made personally by the Minister are not AAT reviewable). The comprehensive availability of merit review in these tribunals means that very few decisions by the department are challenged in the courts.

The decisions of the tribunals are frequently challenged in the courts (Federal Magistrates Court, Federal Court, and High Court). The courts can only review decisions on legal grounds (not on 'merit'). The majority of litigation managed by the department involves an application for judicial review of a decision of the RRT or MRT. These cases (including appeals) comprised 92 per cent of new litigation during 2004–05. While the majority of applications are ultimately unsuccessful, the caseload remains high. During 2004–05 there were 4264 applications and appeals filed in the courts. This compares to 4991 during 2003–04, and 6351 during 2002–03.

As has been the case for many years, the majority of applications for judicial review are dismissed. Of the court cases (including appeals) resolved during 2004–05, only 7.4 per cent of RRT matters and 19.9 per cent of MRT matters were resolved in favour of the applicants. In addition, 2004–05 has been marked by the very high number of 'repeat' applications for judicial review, typically by a person who has previously unsuccessfully challenged an RRT decision and who then applies again for judicial review of the same decision (after a delay of years in some cases). The courts often dismiss these applications at an early stage in the litigation, on the basis that the application is an abuse of the court system. However, it is preferable to prevent these applications at the outset. The government proposes the establishment of effective time limits on the commencement of litigation. This matter is addressed in the Migration Litigation Reform Bill 2005, which was awaiting consideration by Parliament at the end of the financial year.

There was a continuing trend, during 2004–05, for the Federal Magistrates Court (FMC) to determine applications for judicial review of immigration decisions rather than the Federal Court. This accords with government policy, which reflects the fact that most immigration cases are relatively straight-forward applications by

self-represented applicants. The Migration Litigation Reform Bill 2005 provides that almost all judicial review applications are to be heard initially in the FMC. In view of the large immigration caseload, the FMC faces a significant challenge in processing cases in a timely fashion. Currently, new matters are being allocated hearing dates that, in many cases, are more than 12 months after the date of filing the application in the court. Ongoing delays may provide an incentive for applicants to pursue judicial review as a means of extending lawful status in Australia.

During 2004–05, the High Court handed down important decisions clarifying the constitutional basis for immigration detention. In *Al-Kateb v Godwin* (6.8.04), the High Court held (4–3) that the *Migration Act 1958* authorises indefinite detention of unlawful-non-citizens. The court also held that indefinite detention of unlawful non-citizens (who are ‘aliens’ for the purpose of the Constitution (s51(xix))) is permitted by the Constitution, provided the non-citizen is being held for the purpose of visa processing or removal/deportation from Australia. In *Re Woolley; Ex parte Applicants M276/2003* (7.10.04) the High Court confirmed (7–0) that the result in *Al-Kateb* applies to all aliens, whether adults or children. There is no constitutional limitation on the immigration detention of children. The High Court also held (6–1) that the conditions of immigration detention are irrelevant to the question of whether the detention is lawful: *Behrooz v Secretary, DIMIA* (6.8.04).

More recently, significant litigation has taken place in relation to the ‘duty of care’ owed by the Commonwealth to immigration detainees. A number of cases have challenged the adequacy of the medical and psychiatric services provided to immigration detainees. In *S v Secretary, DIMIA* (5.5.04) the Federal Court held that the Commonwealth had breached its duty of care to two detainees at the Baxter immigration detention facility. The department has responded quickly to issues raised in that judgment about the coordination and management of the provision of medical and psychiatric services.

Another important decision handed down by the High Court in 2004–05 was *Singh v The Commonwealth* (9.9.04). The court held that Parliament has a broad discretion to decide which classes of people are to be treated as aliens. In particular, the court held (5–2) that being born in Australia does not necessarily mean that a person cannot be treated as an alien. The decision therefore supports the constitutional validity of current arrangements whereby children born in Australia to temporary entrants or unlawful non-citizens have the same status as their parents.

### REPORTS BY AUDITOR-GENERAL

The Australian National Audit Office (ANAO) completed the following performance audits in the department during 2004–05.

## **Audit Report No 2 2004–2005: Onshore Compliance—Visa Overstayers and Non-Citizens Working Illegally**

The objective of this audit was to assess whether the department has implemented appropriate onshore compliance strategies in regard to people who enter Australia lawfully but whose presence becomes unlawful. The audit commenced in May 2003 and was tabled in the Parliament in July 2004.

The ANAO made seven recommendations about our administration of onshore compliance. We agreed with six recommendations and agreed with qualification to the other recommendation.

Overall the audit found that the department uses a variety of onshore compliance strategies, including the prioritisation of compliance activities based on risk profiles of specific industries and labour markets. The auditors found that the ‘intelligence driven’ model pursued by the department focuses on identifying individual overstayers or non-citizens working illegally so that appropriate compliance action can be taken.

The audit also found, amongst other things, that we could improve our intelligence capability, and that more consistent integration of compliance target group profiling with intelligence gathering and analysis could assist in further development of the onshore compliance program. More generally the audit found that compliance activities could be enhanced through the department providing better information to make sure non-citizens are aware of what they can and cannot do in Australia, that the Employer Awareness Campaign could be enhanced through better targeting and that a consistent, national approach to compliance operations could be enabled through commitment to quality assurance systems and processes.

## **Audit Report No 14 2004–2005: Management and Promotion of Citizenship Services**

The objectives of the audit were to determine whether:

- citizenship services were planned based on a risk assessment, especially in relation to fraud and were monitored and reported on appropriately
- decision-making was well-based, consistent and in line with relevant laws and policies and was supported by appropriate training and quality assurance mechanisms
- client and outsourced services were managed effectively; and promotion strategies were effective and have been evaluated appropriately.

The ANAO concluded that the department’s citizenship services were well managed and effectively promoted. We had a range of appropriate information available in regard to citizenship services, including by region. The ANAO recommended that it would be useful for us to analyse this information to further improve client service.

We have implemented processes to improve our data analysis and aspects of our citizenship services. Some other issues of an administrative nature were commented on in the body of the report, and will be addressed as appropriate. We introduced a National Appointments System in November 2004, allowing all departmental offices to schedule appointments for citizenship clients.

### **Audit Report No 1 2005–2006: Management of Detention Centre Contracts—Part B**

The objective of the audit was to assess the effectiveness of the department's management of its agreement with the current detention services provider, Global Solutions Limited (GSL). The audit report focused on an assessment of the transition process, implementation of lessons learned from the previous Detention Services Contract and value for money in contract administration.

The audit report found that the contract with GSL does not adequately specify key responsibilities to be met, and that our ability to assess service delivery is limited. The ANAO also raised concerns regarding the clarity of the insurance, indemnity and liability clauses and the extent to which our financial reporting assesses value for money under the current contract with GSL.

In response, the department advised the ANAO that the report did not fully reflect or take account of the complexity of the detention environment. In particular, the services and standards required in immigration detention must meet the needs of persons with a diverse range of backgrounds, and cannot be simply or inflexibly stated.

The department accepted the four recommendations in full. They cover:

- insurance, liability and indemnities
- performance information and contract monitoring
- financial reporting
- asset management.

We noted that in many of these areas action had already been identified and work progressed. The report was tabled in Parliament on 7 July 2005.

The ANAO substantially completed the following performance audits in the department during 2004–05.

#### **Advance Passenger Processing**

The objective of the audit was to assess whether the department's information systems and business processes are effective in supporting Advance Passenger Processing (APP) to meet its border security and streamlined clearance objectives.

The audit examined our administration of mandatory APP for air passengers and crew arriving in Australia. In some instances, the ANAO has also examined events prior to mandatory APP to better understand and assess our overall performance in administering the APP system. The audit report is expected to be tabled in October 2005.

### **Management of the Tender Process for the Detention Services Contract**

The Management of the Detention Centre Contracts—Part B audit was originally intended to include an assessment of the tender process for the new DSC. During the course of their fieldwork, however, the ANAO advised that the tender process warranted a separate audit to examine the methodology applied by the department during the tender process, including the request for tender, contract negotiations and compliance with relevant procurement legislation and guidelines. Fieldwork for the Management of the Tender for the Detention Centre Contract audit has progressed in parallel with the Part B audit. The report is due to be tabled in November/December 2005.

### **Other ANAO audit activity**

The department was involved in a number of ANAO cross-agency audits during the year. Those marked ‘\*’ were reported in the 2003–04 Annual Report; however, work continued into 2004–05.

- Performance Management in the Australian Public Service\*
- Superannuation Payments for Independent Contractors working for the Australian Government\*
- Compliance with Senate Order, Audit of the Senate Order of 20 June 2001—Number 7
- Management of Internal Audit in Commonwealth Agencies
- Management of Tax File Integrity—Australian Taxation Office
- The Management of Net Appropriation Agreements
- Counter-terrorism Co-ordination Arrangements
- Green Office Procurement
- Management and Reporting of Expenditure on Consultants
- Management of IT Security in Commonwealth Agencies
- Asset Management.

## REPORTS BY PARLIAMENTARY COMMITTEES

### Senate Legal and Constitutional Legislation Committee

#### **Inquiry into Criminal Code Amendment (Trafficking in Persons Offences) Bill 2004**

The Inquiry into Criminal Code Amendment (Trafficking in Persons Offences) Bill 2004 was tabled on 10 March 2005. The Bill proposed amendments to the *Commonwealth Criminal Code Act 1995* and the *Telecommunications (Interception) Act 1979* to extend for offences relating to the trafficking in persons including children into Australia. The department provided input to the legislative changes brought forward by the Attorney General's Department.

Departmental representatives also appeared before the Committee to provide input. The Bill was passed on 21 June 2005.

### Joint Standing Committee on the Australian Crimes Commission

#### **Inquiry into the Trafficking of Women for Sexual Servitude**

On 23 June 2003, the Joint Standing Committee on the Australian Crimes Commission (the Committee) decided to conduct its own motion inquiry into trafficking of women for sexual servitude. The department provided a comprehensive submission to the inquiry. In June 2004, the Committee reported on its findings. We provided input into the government's response.

The Committee met again on 23 June 2005 to be updated again on the progress of the anti-trafficking measures outlined in the report. Departmental officers appeared before the Committee and provided information on action taken by the department to address this issue.

### Joint Standing Committee on Foreign Affairs, Defence and Trade

#### **Inquiry into Expanding Australia's Trade and Investment Relations with the Gulf States**

On Monday 7 March 2005, the Joint Standing Committee on Foreign Affairs, Defence and Trade tabled its report entitled *Expanding Australia's trade and investment relations with the Gulf States*, which included 10 recommendations. The department provided a comprehensive submission to the Committee, outlining a commitment to support Australia's trade and investment relationships with Gulf States by facilitating lawful and orderly entry and stay of people. The government is currently considering the report.

## House of Representatives Standing Committee on Ageing

### **Inquiry into the Long Term Strategies to Address Ageing of the Australian Population Over the Next 40 Years**

Report title: *Future ageing: Inquiry into the long term strategies to address ageing of the Australian population over the next 40 years.*

In the 40th Parliament, the House of Representatives Standing Committee on Ageing inquired into long-term strategies to address the ageing of the Australian population over the next 40 years. The election was called before a report was completed for tabling. The House of Representatives Standing Committee on Health and Ageing, formed in the 41st Parliament, tabled the draft report from the inquiry without amendment or re-opening of the inquiry. No recommendations were made.

## Senate Legal and Constitutional Legislation Committee

### **Inquiry in to Migration Litigation Reform Bill 2005 (formerly the Migration Amendment (Judicial Review) Bill 2004)**

On 16 March 2005, the Senate referred the Migration Litigation Reform Bill 2005 to the Senate Legal and Constitutional Legislation Committee for inquiry and report by 11 May 2005. The Bill was introduced by the Attorney-General and included amendments from the Migration Amendment (Judicial Review) Bill 2004, which had lapsed when Parliament was dissolved in 2004. The department participated, along with the Attorney-General's Department, in the Committee hearings. The report was tabled on 11 May 2005. The Attorney-General's Department is coordinating the government's response to the report.

## REPORTS BY EXTERNAL BODIES

On 3 February 2005 it became known to the department that a permanent resident, Ms Cornelia Rau, had been held in immigration detention for a period of 10 months. On the 8 February 2005 the Minister announced details of the Inquiry into the Cornelia Rau matter. This Inquiry was to be conducted by former Australian Federal Police Commissioner, Mr Mick Palmer AO APM.

*'The Inquiry will investigate, examine and report on matters relating to the case of Cornelia Rau, including in particular the actions of DIMIA and relevant state agencies, during the period March 2004 to February 2005.'*

The Terms of Reference also gave the Inquiry direction to investigate possible departmental systems and process improvements.

On 30 April 2005 the department became aware of a case involving the removal of an Australian citizen, Ms Vivian Alvarez Solon. On 2 May 2005 in response to these developments, the then acting Minister for Immigration and Multicultural and



Indigenous Affairs, the Hon. Peter McGauran extended of the Terms of Reference to enable the Palmer Inquiry to examine and make findings in relation to any cases referred during the course of the Inquiry.

The extension of the Terms of Reference to the Inquiry lengthened the expected completion date of the report. The report into the immigration detention of Ms Rau was delivered separately to that of the additional cases referred to the Inquiry. This was to ensure a thorough and independent investigation of the circumstances surrounding the immigration detention of Ms Rau, and the additional cases referred to the Inquiry.

On 25 May 2005, in her opening statement to the Senate Estimates Committee, the Minister outlined changes that had been made to improve performance in the department. They included:

- a 28-day limit—in all but exceptional circumstances—on the time immigration detainees can be held in prison, a watch-house or similar state corrections facility in those jurisdictions where an Immigration Detention Facility is not available
- fingerprinting of people detained. Following regulatory changes people detained can be required to provide a fingerprint, without their consent if necessary
- further advice to staff clarifying and strengthening procedures that should be followed to try to establish a person's identity. While the then current procedures worked in the majority of cases, the very complex circumstances surrounding Ms Rau's case highlighted the need for clearer and more precise guidance for staff
- access to data-bases. The Minister wrote to the Justice Minister, Senator Ellison, asking him to formally pursue the issue of access to databases with relevant Commonwealth and state law enforcement agencies. The Minister also asked the Secretary of the department to pursue the same issue with the Heads of Commonwealth Law Enforcement Agencies (HOCOLEA)
- referral of complex cases to Canberra for guidance. Where a person's identity or status is not confirmed within 28 days, staff would be required to consult with senior staff in Canberra on the ongoing management of the case.

In this statement further changes were announced as a result of the department acknowledging the Government's desire for continuous improvement. These changes were:

- establishment of a National Identity Verification and Advice Unit in the department's head office in Canberra
- appointment of immigration Detention Review Managers in each state and territory where people are detained
- enhancement of health services in Immigration Detention Centres
- improvement in case-related information management processes.

The report of the Inquiry into the Circumstances of the Immigration Detention of Ms Rau has provided a foundation for many positive changes within the department. The report was delivered on 14 July 2005.

In conjunction with the release of the report, the government announced significant changes in the leadership of the department as well as the creation of the Change Management Taskforce to respond to the general thrust of the Inquiry's report.

Parallel changes were also announced in mid-June 2005 that would address some of the issues raised by Mr Palmer as well as ensuring that government policy is administered with greater flexibility, fairness and, above all, in a more timely manner. Among other things, it included additional non-compellable power for the Minister to specify alternative arrangements for a person's detention and conditions that apply to that person, and the requirement that the department make primary protection visa decisions within three months of the application.

### **COMMONWEALTH OMBUDSMAN**

The Commonwealth Ombudsman received 873 complaints against the department in 2004–05, 497 of which were investigated. Of these 497 complaints investigated, defective administration was identified in 39 complaints against the department.

These figures demonstrate an investigation rate of 57 per cent. Whilst this is an increase from the previous financial year of 2003–04 (which had an investigation rate of 50 per cent), during 2004–05 the department's defective administration rate fell from 18 per cent to eight per cent. This is very encouraging for the department.

### **HUMAN RIGHTS AND EQUAL OPPORTUNITY COMMISSION**

During 2004–05, HREOC investigated 19 complaints against the department.

One report was tabled in Parliament by the Human Rights and Equal Opportunity Commission (HREOC) in 2004–05: HREOC Report No. 28—Report of an inquiry into complaints by immigration detainees concerning their detention at the Curtin Immigration Reception and Processing Centre.

The report is based on a complaint made to HREOC in 2002.

## Management of human resources

The department has 5754 employees, 61 per cent of whom are women (this does not include locally engaged staff overseas administered by Department of Foreign Affairs and Trade on behalf of the department). This total figure is an increase of 22 per cent on the previous financial year. Details of our staffing profile are at Appendices 3 to 7.

A key factor influencing the increase in staffing numbers was the establishment of the Office of Indigenous Policy Coordination (OIPC) within the department.

The OIPC was established on 1 July 2004. On the same day, programs formerly administered by the Aboriginal and Torres Strait Islander Commission (ATSIC) and the Aboriginal and Torres Strait Islander Services (ATSIS) were transferred to the Australian Government agencies that provide services to the wider community. The department was involved in mapping former ATSIC and ATSIS staff to positions within the various government portfolios, including that of immigration and multicultural and Indigenous affairs.

These machinery of government changes had a considerable impact on the management of our human resources. We successfully negotiated a Certified Agreement with OIPC staff that aligned OIPC conditions with the core conditions of the DIMIA Certified Agreement 2004–2007. The OIPC Certified Agreement will expire on 29 January 2007 in line with the DIMIA Certified Agreement and is intended to be replaced by a department-wide agreement.

DIMIA's Certified Agreement 2004–2007 was certified by the Australian Industrial Relations Commission on 29 July 2004. The new Certified Agreement supports our business agenda by including a provision for small numbers of staff to work patterns of hours that vary from the department's standard hours. These arrangements support changes to the delivery of our business linked to the global working strategy, in particular in the telephone contact centres and e-visa processing units. The agreement also included pay rises at the Australian Public Service average and some enhancements to conditions that help staff balance 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 meet 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.

Ninety SES staff and 215 non-SES staff are covered by AWAs.

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).

Productivity gains continue to be delivered by global working. 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.

These initiatives, in conjunction with a slight growth in demand for departmental visa and citizenship services, have led to an increase in the number of staff working in Australia. We managed this growth in workload through a deliberate increase in ongoing recruitment. We also relied on non-ongoing and contract labour to fill some vacancies as and when the need arose. The flexibility afforded through this process was important for us given the trial nature of global processing initiatives in some offices and the need to quickly increase the number of staff. Many non-ongoing and contract staff have subsequently competed successfully for ongoing entry level vacancies.

The Departmental Online Recruitment System (DORS) has continued to support the department's increased recruitment activity. The online processing and assessment of applicants has reduced the resources required to support the routine components of the recruitment process. This streamlined and more efficient approach has been of particular benefit to state and territory offices which have all experienced growth in staffing numbers. The ongoing use of bulk recruitment rounds has also achieved productivity gains for the department.

The growth in staffing in state and territory offices has substantially changed the structure and nature of work in those offices. Regional offices are continuing to examine their 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 entry-level training and development programs.

These developments are occurring in the context of the department's National Training Framework. 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 our investment in training aligns with our business priorities. Our People Management Committee has responsibility for managing the National Training Framework and overseeing its implementation across the department.

The national training priorities for the department in 2004–05 are:

- induction
- client contact
- quality decision making
- contract management
- supervision and management.

Progress has been made in developing and delivering training across the department in each of these five priority areas.

As part of the comprehensive training provided to all officers preparing for overseas service, the department now ensures that staff receive training in the core and accreditation modules of these priority areas so they can deliver this training to locally engaged employees overseas. We have recognised the importance of such training, especially given the changing nature of our overseas network.

The department has a devolved approach to training in which divisions and state and territory offices are responsible for, developing and delivering program-specific training. To support and manage this approach to staff training, we have developed and implemented a Training and Events system. This is a key component of the infrastructure supporting our National Training Framework, making it simpler for staff to know what courses are available within the department and providing the ability for staff to nominate for courses through a standard online process. The system creates significant efficiencies for the department in the administration of training. Training and Events also supports a more structured evaluation of training programs, including having supervisors assess the impact of training on employee skills.

Given the highly dynamic nature of the department's business operations, we have traditionally operated a devolved approach to workforce planning. We have undertaken a workforce risk assessment at the whole-of-organisation level, including scenario planning, demand and supply forecasting, and identifying agency-specific workforce risks. To help business managers undertake this function, we continue to refine our Workforce Planning Framework, which describes our approach to workforce planning as well as the activities to be undertaken as part of workforce planning processes.

### **SENIOR EXECUTIVE SERVICE REMUNERATION**

Members of the Senior Executive Service in the department are remunerated through Australian Workplace Agreements (AWA), which provide for a base salary, a limited range of fringe benefits and performance pay (see Appendix 3).

# Purchasing

## ASSESSMENT OF PURCHASING AGAINST KEY OBJECTIVES

The department's procurement policy conforms with core principles of the Commonwealth Procurement Guidelines (CPGs). Those responsible for the procurement of goods and services are provided support through the services of the Contracts and Procurement Advice Section (CPAS), ensuring that procurement activity reflects best value for money, is an efficient, effective and ethical use of public resources, and complies, where required, with mandatory aspects of the CPGs.

Compliance with Australian Government and departmental procurement policy is supported through the provision of an extensive training regime which instructs staff on policies amended by the Australia–United States Free Trade Agreement (AUSFTA) and the subsequent introduction in January 2005 of the new CPGs.

140 department staff completed an accredited course (Certificate IV in Government (Tendering and Contracting)) while a number of one-day contract management courses were held for middle and senior management officers.

CPAS has also presented information sessions in central, state and territory offices informing managers and those involved in contract management of their new obligations.

As a result of the introduction of the new framework, and the resultant increase in tendering activities for 2004–05, CPAS experienced a 35 per cent increase in the amount of oral and written advice provided.

## Purchaser/provider arrangements

### **PURCHASER ARRANGEMENTS—DIMIA AND DFAT SERVICE LEVEL AGREEMENT**

The department signed a new purchaser agreement in August 2004 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 the two agencies whereby DFAT provides management services at DFAT-managed posts to facilitate efficient and effective Australian Government business overseas. The SLA aims to ensure, at whole-of-government level and within available resources, the efficient administration of posts through improved management and utilisation of resources and the avoidance of operational and financial duplication across agencies at overseas posts.

#### **Control arrangements**

The new SLA covers the period 1 September 2004 to 31 August 2007 and may be extended for a further two years if both parties agree in writing. The SLA details the provision of management services, agency responsibilities, performance indicators and cost recovery arrangements for the term of the agreement. Management services include personnel, office, property and financial services. The SLA also includes a dispute resolution mechanism and a provision for reduced fees if services are not provided to the agreed standard, based on the performance indicators.

#### **Resourcing**

The department pays a global service fee to cover the costs to DFAT of delivering the services. The fees are calculated on the basis of locally engaged staff salaries, the time spent by those staff delivering management services and the number of departmental A-based and/or locally engaged employees at post. The total 2004–05 SLA fee was \$5 263 852.

#### **Performance against outcomes and outputs**

The SLA contributes to the department's outcomes by contributing to the efficient delivery of management services at overseas posts.

## **BSG—PURCHASER ARRANGEMENTS—DIMIA AND DFAT MEMORANDUM OF UNDERSTANDING**

The department signed a new purchaser arrangement with DFAT for the provision of Information and Communication Technology (ICT) services.

### **Responsibility**

The Memorandum of Understanding (MOU) is an agreement between the two agencies whereby DFAT facilitates communications and business processing by our overseas posts. This MOU continues a cooperative arrangement in place since 1997.

### **Control arrangements**

The MOU covers the period 1 July 2004 to 30 June 2007 and details the services covered, service level standards and cost recovery arrangements for the term of the agreement. The services include SATIN Low, SATIN High, PABX services, Internet access and Telecommunication services. Efficiencies are gained by bringing these services under one arrangement, through clarity of scope of work, certainty of terms and conditions, and improved administration.

### **Resourcing**

For these services an agreed fee is charged. In 2004–05 the fee paid by the department to DFAT under the ICT MOU was \$4 040 595 (inclusive of GST) plus the fee paid by posts on a per-user basis for Internet access to SATIN.

### **Performance against outcomes and outputs**

The MOU reflects the Government's requirement for DFAT to take the lead agency role where services at overseas posts are required by agencies and contributes to the department's outcomes through contributing to the efficient delivery of IT and telecommunications services at overseas posts.

## **PROVIDER ARRANGEMENT—CLUSTER 3 CONTRACT MANAGEMENT**

The department obtains its IT and telecommunications services as part of Cluster 3 (the Cluster). 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) accommodated in the department provides a coordination function for the Cluster contract management.

The contracts with CSC and Optus are in place 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—left the Cluster in January 2005 (Optus)
- National Mapping Division Geoscience Australia (Optus)
- IP Australia (CSC and Optus)
- IPS Radio and Space Services (Optus).

Note: Some agencies which were former Department of Finance bureau customers also receive services under the contracts.

### **Responsibility**

The contracts are managed by the 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 MOU that 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.

## Asset management

### **ASSESSMENT OF EFFECTIVENESS OF ASSETS MANAGEMENT**

The department manages more than 6769 assets with a gross value of \$494 million. These amounts include the assets from the acquisition of operations during the year. 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. Accrual-based monthly reports on the progress of purchases against capital plans and depreciation against budget allow line managers to make informed asset acquisition and replacement decisions and ensure ongoing capital budget management and accuracy of reporting.

All assets owned by the department 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).

Assets are maintained through specified maintenance programs, including contracted services.

*In November 2004 construction of a purpose designed new building for Central Office was completed. The building is a market leader in energy efficiency in Canberra and is currently operating as a 5 star rated building under the Australian Building and Greenhouse Gas Rating Scheme.*



## Purpose designed new building

The building has an intelligent lighting control system and metering which separates tenant light and power on all floors, with a software management system to manage the ongoing performance of the building.

The facade is a "panel system" and combines a low cost but highly durable exterior. Central to the design of the facade was the need to ensure it assisted in meeting the energy targets set by Commonwealth policy. The size of windows was kept to a minimum and the use of double glazing and tinted

glass assist in meeting these targets. The north-south orientation and the narrow building footprint provides for maximum penetration of natural light.

The building provides a quality fit-out and combines large and efficient open plan areas with integrated amenities including a gym and cafe. Built zones are concentrated in the central core of the building to maximise the use of space in the open plan areas. The use of rectangular workstations provides a level of flexibility not offered by traditional L-shaped workstations.



## Consultants and competitive tendering and contracting

### CONSULTANTS, CONTRACTS AND COSTS

The department entered into 93 new consultancy contracts, involving expenditure of \$44 390 378.

In total, 138 ongoing consultancy contracts were active during the 2004–05 year, incurring expenditure of \$48 261 123.

A full list of consultancies let during 2004–05 can be found at Appendix 12.

Consultancy costs are comparable to the last financial year. The figure below compares total consultancy costs for the past three financial years:

Figure 116: Consultants, contracts and costs

Year	Total Consultancy Costs
2002–03	\$213.47 million
2003–04	\$47.93 million
2004–05	\$48.26 million

The figure below identifies the nature of the consultancy contracts active for 2004–05 irrespective of when the contract was let.

Figure 117: Consultancy costs

Purpose	Total consultancy costs paid during the 2004–05 financial year	Number of consultants for 2004–05
Involves specialist professional knowledge and/or expertise that may not be maintained in-house	\$3 328 216	35
Involves development of an intellectual output—eg research, evaluation, advice and recommendations—to assist with agency decision-making	\$44 588 889	92
Involves a one-off task, a set of tasks or irregular tasks (making employment of permanent staff impractical or undesirable)	\$344 018	11
<b>Total</b>	<b>\$48 261 123</b>	<b>138</b>

## COMPETITIVE TENDERING AND CONTRACTING (CTC) OUTCOMES

The department engaged in and concluded a number of competitive tendering processes during 2004–05, the more significant of which included:

- a request for tender (RFT) process for the department's Travel Management Services was concluded in July 2004 resulting in reletting Carlson Wagonlit Travel's contract for a further three years commencing 16 August 2004, for an estimated value of \$2.4 million
- an RFT process was conducted to establish a panel for the provision of assessment of migration management and border control systems in the South East Asia and Pacific Region. Standing offers were signed with four service providers in early 2005
- a select tender process commenced in July 2004 for the provision of internal audit and risk management services. A three-year contract was awarded to Ernst & Young commencing on 31 December 2004
- after a Request for Quotation (RFQ) in March 2005, a contract valued at \$843 000 was signed in May with Ethan Group Pty Ltd for the supply and support of biometrics software, equipment and services for the Biometric Trial Project.

A number of tendering activities were commenced in 2004–05, but were not concluded:

- an RFT was issued in February 2005 to establish four Australia-wide panels of consultants with demonstrated expertise in a range of fields relevant to the Government's new Indigenous Affairs arrangements. Tenders closed on 24 March 2005 with Deeds of Standing Offer near finalisation
- an RFT was issued in September 2004 for the provision of services for the Integrated Humanitarian Settlement Strategy. Contract negotiations with preferred tenderers were underway at 30 June 2005
- an RFT was issued on 23 April 2005 for a consultant to report on the nature of the administrative burden on government supported organisations providing services to Indigenous people, and make recommendations to reduce any undue burden. Tenders were being evaluated at 30 June 2005.

## 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 a clause allowing the Australian National Audit Office (ANAO) to access a contractor's premises. 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 templates.

It remains the department's preference that contracts include the ANAO clause.

In the cases shown below, departmental standard contracts were not used:

Figure 118: Non-standard contracts

Name of contractor	Purpose of contract	Value of contract
B & S Card Service	Provision of credit card facilities	\$562 229
American Express International	Provision of merchant services	\$4 874 091
Diners Club Ltd (Australia)	Provision of Diners Club merchant services	\$1 042 446
Citibank (Hong Kong)	Provision of merchant services for Visa and Mastercard	\$543 561
American Express Travel	Provision of American Express merchant services	\$423 481
The Riggs National Bank	Provision of merchant services for Visa, Mastercard, Bankcard and debit cards, provision of terminals and of internet payment facilities	\$355 956
Barclays Bank Ltd	Provision of merchant services	\$659 763
B+S Card Service	Provision of merchant services	\$267 750
International Centre for Migration Policy Development	Comparative and analytical study of Australia's asylum system	\$116 795
United Nations Office on Drugs and Crime (UNODC)	Combating trafficking in persons in Vietnam—phase 2	\$755 871
Siemens building technologies	Siemens Building Technologies Maintenance Agreement	\$125 631
Software AG	Licence of software systems and maintenance	\$121 563
Isis Projects Pty Ltd	Scrivener building fit out	\$717 970
VITS Language Link	Interpreting Services	\$2 626 215
Schiavello Project Solutions	Fit-out level 15 Casselden Place	\$139 139

### CONTRACTS IN EXCESS OF \$10 000 EXEMPT FROM BEING PUBLISHED IN THE PURCHASING AND DISPOSAL GAZETTE

Details of all contracts that have a value of \$10 000 or more must be published in the Purchasing and Disposal Gazette (this has risen from a \$2000 limit last financial year). There was one contract that was exempted from being published on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

# 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**

Work on the department's Disability Action Plan is progressing in accordance with the *Disability Discrimination Act 1992*. As well as demonstrating our commitment to the elimination of disability discrimination, the completed plan will ensure the inclusion and participation of people with disabilities in our policies, programs and services.

### **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.

A review of our Client Service Charter was undertaken in 2004. The revised charter will be published in a number of formats to cater for a diverse range of clients, including clients with a print disability.

The department also redesigned its client contact card. In consultation with the National Library Service, the card was redesigned in late 2004 in a large print format using contrasting colours, to assist clients with a visual impairment. The contact cards are available from all departmental offices and have been distributed to Migrant Resource Centres Australia-wide.

The department's websites are specifically designed for accessibility by vision and motor impaired clients. These websites are more than 95 per cent compliant with Braille text readers. In 2004–05, we redesigned more than 75 per cent of content, structure and navigability across all our websites and have achieved substantial compliance with both Government online targets and World Wide Consortium (W3C) web content accessibility guidelines.

Detention services contracts in operation during 2004–05 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 provision of appropriate

support. All detainees with a disability have an individual detainee care plan and access to appropriate equipment and facilities.

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 consistent with relevant national building codes.

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 facilities, the option of release from detention on a bridging visa is considered. The *Migration Amendment (Detention Arrangements) Act 2005*, which came into effect on 29 June 2005, provides for more flexible detention arrangements for detainees, including for minors, families and those with special needs such as a disability.

### **Employer role**

No requests have been made for a review of action this year in matters linked to disability. One complaint was received by a departmental Harassment Contact Officer relating to disability.

In 2001, the department entered into a 15-year lease in Belconnen to accommodate its central office functions. The building was completed in November 2004 and is now fully functional.

In signing the lease, we required that the building meet maximum standards under the Building Code of Australia and relevant legislation relating to disabled services. This included exceeding building code requirements for car parking, showers and toilets and certification for ramps, gradients, tearoom facilities, passageways and doors.

Features are included to assist sight and hearing-impaired people in elevators and facilities for the hearing-impaired people are available in conference rooms. 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 and Chief Executive's responsibility*

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 2005.

The Department's Chief Executive is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Department of Immigration and Multicultural and Indigenous Affairs, and that comply with accounting standards, other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the Financial Management and Accountability Act 1997. The Department's Chief Executive is also responsible 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 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 judgement, 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 audit procedures, the audit was not designed to provide assurance on internal controls.

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Centenary House 19 National Circuit  
BARTON ACT  
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I have performed procedures to assess whether, in all material respects, the financial statement 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 Chief Executive.

### ***Independence***

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

### **Audit Opinion**

In my opinion, the financial statements of the Department of Immigration and Multicultural and Indigenous Affairs:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Department of Immigration and Multicultural and Indigenous Affairs' financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
  - (i) the matters required by the Finance Minister's Orders; and
  - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office

[signed]

Rebecca Reilly  
Executive Director

Delegate of the Auditor-General

Canberra  
7 September 2005

**DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**  
**Statement by the Chief Executive and Chief Financial Officer**

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In our opinion, the attached financial statements for the year ended 30 June 2005 have been prepared 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*, as amended.

Signed ..... [signed] .....  
Andrew Metcalfe  
Chief Executive

7 September 2005

Signed ..... [signed] .....  
Louise Gray  
Chief Financial Officer

7 September 2005

**DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**  
**Statement of Financial Performance**  
for the year ended 30 June 2005

	Notes	2004-05 \$'000	2003-04 \$'000
<b>Revenues from ordinary activities</b>			
Revenues from government	4A	947,001	750,158
Assets received from related entities	4B	166	23,807
Goods and services	4C	39,452	25,869
Proceeds from sale of assets	4D	392	59
Other	4E	12,066	10,273
Reversal of previous asset write-downs	4F	897	1,620
Net foreign exchange gains		42	18
Interest		25	11
<b>Total revenues from ordinary activities</b>		<b>1,000,041</b>	<b>811,815</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>			
Employees	5A	414,632	315,266
Suppliers	5B	508,468	447,010
Depreciation and amortisation	5C	46,714	49,130
Write-down of assets	5D	16,463	6,038
Value of assets sold	4D	1,183	598
Net foreign exchange losses		42	26
Other		125	-
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>		<b>987,627</b>	<b>818,068</b>
Borrowing costs expense	6	965	1,397
<b>Net surplus / (deficit) attributable to the Australian Government</b>		<b>11,449</b>	<b>(7,650)</b>
Net credit / (debit) to asset revaluation reserve	12A	-	24,943
<b>Total revenues, expenses and valuation adjustments attributable to members of the Parent Entity and recognised directly in equity</b>		<b>-</b>	<b>24,943</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>11,449</b>	<b>17,293</b>

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

**DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**  
**Statement of Financial Position**  
as at 30 June 2005

	Notes	2004-05 \$'000	2003-04 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash	7A	16,306	22,727
Receivables	7B	176,250	84,288
Accrued revenue		1,644	14,177
<b>Total financial assets</b>		<b>194,200</b>	<b>121,192</b>
<b>Non-financial assets</b>			
Land and buildings	8A,8D	216,377	173,740
Infrastructure, plant and equipment	8B,8D	63,408	65,570
Intangibles	8C,8D	56,676	47,069
Inventories	8E	64	70
Other non-financial assets	8F	15,089	11,000
<b>Total non-financial assets</b>		<b>351,614</b>	<b>297,449</b>
<b>Total assets</b>		<b>545,814</b>	<b>418,641</b>
<b>LIABILITIES</b>			
<b>Interest bearing liabilities</b>			
Lease incentives	9A	9,781	8,337
Leases	9B	13,340	17,140
<b>Total interest bearing liabilities</b>		<b>23,121</b>	<b>25,477</b>
<b>Provisions</b>			
Employee provisions	10A	118,746	100,480
Other provisions	10B	500	500
<b>Total provisions</b>		<b>119,246</b>	<b>100,980</b>
<b>Payables</b>			
Suppliers	11	78,503	74,697
Payable to the OPA		13,369	-
Other payables		200	235
<b>Total payables</b>		<b>92,072</b>	<b>74,932</b>
<b>Total liabilities</b>		<b>234,439</b>	<b>201,389</b>
<b>NET ASSETS</b>		<b>311,375</b>	<b>217,252</b>
<b>EQUITY</b>			
Contributed equity	12A	206,612	123,938
Accumulated results		53,237	41,788
Asset revaluation reserve		51,526	51,526
<b>Total equity</b>		<b>311,375</b>	<b>217,252</b>
<b>Current assets</b>		<b>209,353</b>	<b>132,262</b>
<b>Non-current assets</b>		<b>336,461</b>	<b>286,379</b>
<b>Current liabilities</b>		<b>149,743</b>	<b>115,782</b>
<b>Non-current liabilities</b>		<b>84,695</b>	<b>85,607</b>

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 2005

	Notes	2004-05 \$'000	2003-04 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		1,020,332	826,801
Goods and services		25,417	19,297
GST input credit receipts (ATO)		44,781	36,805
GST receipts from customers		2,863	2,299
Other		20,702	3,992
Interest		25	11
<b>Total cash received</b>		<b>1,114,120</b>	<b>889,205</b>
<b>Cash used</b>			
Employees		405,818	307,108
Suppliers		503,036	446,445
GST payments to suppliers		47,670	40,050
GST paid to ATO		2,743	1,893
Cash transferred to the OPA		138,666	56,158
Borrowing costs		965	1,397
Refunds paid		454	279
<b>Total cash used</b>		<b>1,099,352</b>	<b>853,330</b>
<b>Net cash from / (used by) operating activities</b>	13	<b>14,768</b>	<b>35,875</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		392	59
<b>Total cash received</b>		<b>392</b>	<b>59</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		39,620	27,226
Purchase of intangibles		22,638	13,430
<b>Total cash used</b>		<b>62,258</b>	<b>40,656</b>
<b>Net cash from / (used by) investing activities</b>		<b>(61,866)</b>	<b>(40,597)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations - contributed equity		38,451	4,419
Transfer from related entities		26,026	-
<b>Total cash received</b>		<b>64,477</b>	<b>4,419</b>
<b>Cash used</b>			
Transfer to related entities		20,000	-
Repayment of borrowings		3,800	1,800
<b>Total cash used</b>		<b>23,800</b>	<b>1,800</b>
<b>Net cash from / (used by) financing activities</b>		<b>40,677</b>	<b>2,619</b>
<b>Net increase / (decrease) in cash held</b>		<b>(6,421)</b>	<b>(2,103)</b>
Cash at beginning of the reporting period		22,727	24,830
<b>Cash at the end of the reporting period</b>	7A	<b>16,306</b>	<b>22,727</b>

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



**DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**

**Schedule of Commitments**

as at 30 June 2005

	2004-05 \$'000	2003-04 \$'000
<b>BY TYPE</b>		
<b>Capital commitments</b>		
Land and buildings <sup>1</sup>	13,704	27,782
Infrastructure, plant and equipment <sup>2</sup>	486	8,359
Other capital commitments <sup>3</sup>	5,710	24,734
<b>Total capital commitments</b>	<u>19,900</u>	<u>60,875</u>
<b>Other commitments</b>		
Operating leases <sup>4</sup>	341,798	308,369
IT services <sup>5</sup>	179,630	217,051
Detention <sup>6</sup>	379,262	308,934
Other commitments <sup>7</sup>	54,621	57,906
<b>Total other commitments</b>	<u>955,311</u>	<u>892,260</u>
<b>Commitments receivable<sup>8</sup></b>	<u>(81,952)</u>	<u>(79,707)</u>
<b>Net commitments by type</b>	<u><u>893,259</u></u>	<u><u>873,428</u></u>
<b>BY MATURITY</b>		
<b>Capital commitments</b>		
One year or less	17,965	55,399
From one to five years	123	67
<b>Total capital commitments</b>	<u>18,088</u>	<u>55,466</u>
<b>Operating lease commitments</b>		
One year or less	54,696	77,240
From one to five years	131,963	97,495
Over five years	128,809	112,153
<b>Total operating lease commitments</b>	<u>315,468</u>	<u>286,888</u>
<b>Other commitments</b>		
One year or less	440,595	213,862
From one to five years	118,037	317,083
Over five years	1,071	129
<b>Total other commitments</b>	<u>559,703</u>	<u>531,074</u>
<b>Net commitments by maturity</b>	<u><u>893,259</u></u>	<u><u>873,428</u></u>

**N.B. All commitments are GST inclusive where relevant.**

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

1. Land and buildings commitments represent amounts attributable to office fitouts and development work at immigration detention and reception facilities.
2. Infrastructure, plant and equipment commitments relate primarily to refurbishment.
3. Other capital commitments relate primarily to contractor costs associated with capital related projects.
4. Operating lease commitments include leases for onshore and offshore accommodation, SES vehicles and photocopiers. A substantial portion of the commitments are in relation to rent for the Chan Street offices in Belconnen (Canberra) and the Lee Street building in Sydney.
5. IT service commitments include costs for the Electronic Travel Authority System, CSC, and Optus.
6. Detention commitments represent amounts related to detention contracts.
7. Other commitments include costs for passenger card processing, Service Level Agreements with the Department of Foreign Affairs and Trade and Austrade, and security.
8. 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	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	No contingent rentals exist. There are no renewal or purchase options available to the Department.
A lease in relation to support costs for computer equipment and software	The arrangement was for five years and has been extended for a further four years at the Department's option. The Department may vary its originally designated requirement, subject to giving three months notice, incurring no penalty.

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Schedule of Contingencies

as at 30 June 2005

Contingent liabilities	Claims for damages or costs		Offshore contingencies		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	610	4,194	240	-	850	4,194
New	1,011	410	4,876	240	5,887	650
Re-measurement	-	(220)	(1)	-	(1)	(220)
Liabilities crystallised	-	-	-	-	-	-
Obligations expired	(610)	(3,774)	(30)	-	(640)	(3,774)
<b>Total contingent liabilities</b>	<b>1,011</b>	<b>610</b>	<b>5,085</b>	<b>240</b>	<b>6,096</b>	<b>850</b>
Contingent assets	Claims for damages or costs		Offshore contingencies		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	3	-	-	-	3	-
New	685	3	-	-	685	3
Re-measurement	-	-	-	-	-	-
Assets crystallised	(3)	-	-	-	(3)	-
Expired	-	-	-	-	-	-
<b>Total contingent assets</b>	<b>685</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>685</b>	<b>3</b>
<b>Net contingent liabilities</b>					<b>5,411</b>	<b>847</b>

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

Details of each class of contingent liabilities and assets, including those not included above because they cannot be quantified, or are considered remote, are disclosed in Note 14: Contingent liabilities and assets.

**DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**  
**Schedule of Administered Items**

	Notes	2004-05 \$'000	2003-04 \$'000
<b>Revenues administered on behalf of government</b> for the year ended 30 June 2005			
<b>Non-taxation revenue</b>			
Fees and charges	19A	425,514	404,188
Immigration fines		4,918	5,292
Goods and services	19B	10,073	9,326
Recovery of detention costs		32,527	67,305
Interest	19C	24,770	-
Proceeds from sale of assets	19D	271,889	-
Other	19E	4,214	4,340
<b>Total revenues administered on behalf of government</b>		<b>773,905</b>	<b>490,451</b>
<b>Expenses administered on behalf of government</b> for the year ended 30 June 2005			
Grants	20A	384,087	28,735
Subsidies	20B	12,693	1,435
Payments to special accounts	20C	46,580	-
Personal benefits	20D	7,430	12,691
Employees	20E	417	-
Suppliers	20F	179,418	163,226
Write-down and impairment of assets	20G	30,561	62,499
Value of assets sold	20H	275,577	-
Transfer to Indigenous Land Corporation		4,038	-
Other		5	-
<b>Total expenses administered on behalf of government</b>		<b>940,806</b>	<b>268,586</b>

This schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**  
**Schedule of Administered Items**

		2004-05	2003-04
		\$'000	\$'000
<b>Assets administered on behalf of government</b>			
as at 30 June 2005			
<b>Financial assets</b>			
Cash	21A	51,885	3,426
Receivables	21B	9,920	12,541
Accrued revenues	21C	39,038	12,095
Investments in commonwealth entities	21D	94,636	480,958
Investments in deposits and government securities	21E	1,567,840	-
<b>Total financial assets</b>		<b>1,763,319</b>	<b>509,020</b>
<b>Non-financial assets</b>			
Prepayments		439	9,319
<b>Total non-financial assets</b>		<b>439</b>	<b>9,319</b>
<b>Total assets administered on behalf of government</b>		<b>1,763,758</b>	<b>518,339</b>
<b>Liabilities administered on behalf of government</b>			
as at 30 June 2005			
<b>Payables</b>			
Suppliers	22A	15,922	16,428
Grants	22B	21,058	-
GST payable		5,752	6,885
GST accrued payable		5,390	7,656
Unearned income		6,884	6,850
<b>Total payables</b>		<b>55,006</b>	<b>37,819</b>
<b>Total liabilities administered on behalf of government</b>		<b>55,006</b>	<b>37,819</b>

This schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**  
**Schedule of Administered Items**

	Notes	2004-05 \$'000	2003-04 \$'000
<b>Administered cash flows</b> for the year ended 30 June 2005			
<b>Operating activities</b>			
<b>Cash received</b>			
Immigration fees and charges		420,401	404,014
Sales of goods and services		63,477	22,421
Interest		1,835	-
Other		2,546	5,990
<b>Total cash received</b>		<u>488,259</u>	<u>432,425</u>
<b>Cash used</b>			
Personal benefits		7,430	12,691
Suppliers		221,396	177,370
Employees		248	-
Grant payments		375,075	32,512
Payments to special accounts		46,769	-
Subsidies paid		12,370	1,384
Transfer to Indigenous Land Corporation		4,038	-
Refunds Paid		2,629	3,678
<b>Total cash used</b>		<u>669,955</u>	<u>227,635</u>
<b>Net cash from / (used by) operating activities</b>		<u>(181,696)</u>	<u>204,790</u>
<b>Investing activities</b>			
<b>Cash received</b>			
Proceeds from sales of investments		744,417	-
Interest on investments		11,304	-
Other		3,600	-
<b>Total cash received</b>		<u>759,321</u>	<u>-</u>
<b>Cash used</b>			
Purchase of investments		850,069	-
<b>Total cash used</b>		<u>850,069</u>	<u>-</u>
<b>Net cash from / (used by) investing activities</b>		<u>(90,748)</u>	<u>-</u>
<b>Financing activities</b>			
<b>Cash received</b>			
Restructuring		139,308	-
<b>Total cash received</b>		<u>139,308</u>	<u>-</u>
<b>Net cash from / (used by) financing activities</b>		<u>139,308</u>	<u>-</u>
<b>Net increase / (decrease) in cash held</b>		(133,136)	204,790
Cash at beginning of reporting period		3,426	1,180
Cash from the Official Public Account for:			
- Appropriations		665,946	219,688
Cash to the Official Public Account for:			
- Appropriations		(484,351)	(422,232)
<b>Cash at end of reporting period</b>	21A	<u>51,885</u>	<u>3,426</u>

This schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**  
**Schedule of Administered Items**

Administered commitments as at 30 June 2005	Notes	2004-05 \$'000	2003-04 \$'000
<b>BY TYPE</b>			
<b>Other commitments</b>			
Grants <sup>1</sup>		30,023	23,278
Suppliers <sup>2</sup>		375,549	602,062
Subsidies <sup>3</sup>		55,500	5,160
Other commitments <sup>4</sup>		14,898	11,586
<b>Total other commitments</b>		<u>475,970</u>	<u>642,086</u>
Commitments receivable <sup>5</sup>		(23,820)	(30,189)
<b>Net administered commitments by type</b>		<u>452,150</u>	<u>611,897</u>
<b>BY MATURITY</b>			
<b>Other commitments</b>			
One year or less		195,454	176,068
From one to five years		256,564	434,755
Over five years		132	1,074
<b>Total other commitments</b>		<u>452,150</u>	<u>611,897</u>
<b>Net administered commitments by maturity</b>		<u>452,150</u>	<u>611,897</u>

**N.B.** All commitments are GST inclusive where relevant.

This schedule should be read in conjunction with the accompanying notes.

1. Grant commitments relate primarily to grants for the delivery of the Migrant Community Services and Living in Harmony programs.
2. Supplier commitments relate primarily to contracts for the Adult Migrant English Program.
3. Subsidy commitments relate primarily to agreements with the International Organisation for Migration (IOM).
4. Other commitments relate mainly to security, asylum seeker assistance and AusAid contracts.
5. Commitments receivable represent the gross GST component in commitment totals.

## DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

## Schedule of Administered Items

## Administered contingencies

as at 30 June 2005

Administered contingent liabilities	Claims for damages or costs		Grant program funding		Land councils		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	93	20	-	-	-	-	93	20
New	500	93	50,000	-	1,575	-	52,075	93
Re-measurement	-	-	-	-	-	-	-	-
Liabilities crystallised	-	-	-	-	-	-	-	-
Obligations expired	(93)	(20)	-	-	-	-	(93)	(20)
<b>Total administered contingent liabilities</b>	<b>500</b>	<b>93</b>	<b>50,000</b>	<b>-</b>	<b>1,575</b>	<b>-</b>	<b>52,075</b>	<b>93</b>
Administered contingent assets	Claims for damages or costs		Grant program funding		Land councils		Total	
	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance from previous period	500	500	-	-	-	-	500	500
New	-	-	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-	-	-
Expired	(500)	-	-	-	-	-	(500)	-
<b>Total administered contingent assets</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>
<b>Net administered contingent liabilities</b>							<b>52,075</b>	<b>(407)</b>

This schedule should be read in conjunction with the accompanying notes.

#### Statement of activities administered on behalf of government

The major administered activities of the Department are directed towards achieving the five 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 into Australian society and promote harmony and multiculturalism in the community. In addition, the Department also administers the Aboriginal Benefits Account (ABA) and the Land Fund to promote economic, social and cultural empowerment of Aboriginal and Torres Strait Islander peoples.

Details of planned activities for the year can be found in the Department's Portfolio Budget and Portfolio Additional Estimates Statements for 2004-05, which have been tabled in Parliament.



**DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**  
**Notes to and forming part of the financial statements**  
for the year ended 30 June 2005

<b>Note</b>	<b>Description</b>
1	Summary of significant accounting policies
2	Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-06
3	Events occurring after reporting date
4	Operating revenues
5	Operating expenses
6	Borrowing costs expense
7	Financial assets
8	Non-financial assets
9	Interest bearing liabilities
10	Provisions
11	Suppliers
12	Analysis of equity
13	Cash flow reconciliation
14	Contingent liabilities and assets
15	Executive remuneration
16	Remuneration of auditors
17	Average staffing levels
18	Financial instruments
19	Revenues administered on behalf of government
20	Expenses administered on behalf of government
21	Assets administered on behalf of government
22	Liabilities administered on behalf of government
23	Administered reconciliation table
24	Administered restructure
25	Administered contingent liabilities and assets
26	Administered investments
27	Administered financial instruments
28	Appropriations
29	Specific payment disclosures
30	Reporting of outcomes

## **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 outputs which contribute to the achievement of 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 haven
- 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: Promoting the benefits 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

Outcome 4: Promote 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.

- Output 4.1: Policy and advocacy
- Output 4.2: Evaluation and audit
- Output 4.3: Home Loans

Outcome 5: Provide effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander peoples.

- Output 5.1: Promotion of cultural authority
- Output 5.2: Advancement of Indigenous rights and equity
- Output 5.3: Improvement to social and physical wellbeing
- Output 5.4: Economic development
- Output 5.5: Capacity building and quality assurance

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 (for reporting periods ending on or after 30 June 2005)*);
- 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 14).

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.

### 1.3 Changes in accounting policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2003-04. Refer to Note 2 for details of adoption of the Australian Equivalents to International Financial Reporting Standards from 2005-06.

### 1.4 Revenue

#### *Revenues from Government*

Amounts appropriated for departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

#### *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 time proportionate basis taking into account the effective yield on the relevant asset.

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.

### 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.

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 28 February 2005. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### *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 2005 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 London, Dublin and New Delhi. These 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 10.

### **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, and are non-cancellable. 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.

### **1.10 Other financial instruments**

#### *Trade creditors*

Trade creditors and accruals are recognised at their nominal amounts due, 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 agency'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.

## Revaluations

### Basis

Land, buildings, plant and equipment are carried at valuation, being revalued with sufficient frequency that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. Valuations in each year are as at 30 June.

Fair values for each class of asset are determined as shown below.

Asset Class	Fair value measured at:
Land	Market selling price
Buildings	Market selling price
Leasehold Improvements	Depreciated replacement cost
Plant and Equipment	Market selling price

Assets which are surplus to requirements are measured at their net realisable value. At 30 June 2005, the Department had no assets in this situation (30 June 2004: Nil).

### Frequency

Land, buildings, plant and equipment are subject to a formal valuation at least once every five years. Formal valuations are carried out by an independent qualified valuer.

### 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:

	<u>2004-05</u>	<u>2003-04</u>
Buildings on freehold land	<b>40 to 50 years</b>	40 years
Leasehold improvements	<b>Lease term or 10 years</b>	Lease term or 10 years
Plant and equipment	<b>3 to 10 years</b>	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 5C.

### 1.13 Intangibles

The Department's intangibles comprise internally developed software and purchased software for internal use. This software is carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Department's software are 3 to 10 years (2003-04: 3 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2005. 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:

- raw materials and stores - purchase cost on a first-in-first-out basis; and
- finished goods and work in progress - cost of direct materials and labor plus attributable costs that are capable of being allocated on a reasonable 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 Abstracts.

#### *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 23. 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. Revenue 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.

#### *Investments in commonwealth entities*

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.

#### *Investments in deposits and government securities*

The carrying amounts of investments are reviewed annually to determine whether they are in excess of their recoverable amounts at balance date. If the carrying amount of an investment exceeds the recoverable amount, the asset is written down to the lower amount. Increases or decreases in the carrying amount of investments are credited or debited as appropriate to the Asset Revaluation Reserve.

In assessing recoverable amounts of investments the relevant cash flows have not been discounted to their present value.

Non-current investments have been revalued based on an independent valuation at market value.

#### **Note 2 - Adoption of Australian 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 Australian Equivalents to International Financial Reporting Standards (AEIFRS). The international financial reporting standards 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, including reporting periods ending on 30 June 2005.

The purpose of issuing AEIFRS is to enable Australian reporting 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 with AEIFRS will be able to make an explicit and unreserved statement of compliance with international financial reporting standards (IFRS) as well as a statement that the financial report has been prepared in accordance with Australian accounting standards.

AEIFRS contain certain provisions that will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with IFRS, and therefore the Department will only be able to assert that the financial report has been prepared in accordance with Australian accounting standards.

AAS 29 *Financial Reporting by Government Departments* will continue to apply under AEIFRS.

Accounting Standard AASB 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards* requires that the financial statements for 2004-05 disclose:

- an explanation of how the transition to AEIFRS is being managed;
- narrative explanations of the key policy differences arising from the adoption of AEIFRS;
- any known or reliably estimable information about the impacts on the financial report had it been prepared using AEIFRS; and
- if the impacts of the above are not known or reliable estimable, a statement to that effect.

Where an entity is not able to make a reliable estimate, or where quantitative information is not known, the entity should update the narrative disclosures of the key differences in accounting policies that are expected to arise from the adoption of AEIFRS.

The purpose of this note is to make these disclosures.

##### *Management of the transition to AEIFRSs*

The Department has taken the following steps for the preparation towards the implementation of AEIFRS:

The Departmental Audit and Evaluation Financial Statements Sub-Committee is tasked with oversight of the transition to and implementation of AEIFRS. The Chief Financial Officer is formally responsible for the project and reports regularly to the sub-committee on progress against the formal plan approved by the sub-committee.

The plan requires the following key steps to be undertaken and sets deadlines for their achievement:

- All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004.
- System changes necessary to be able to report under AEIFRS, including those necessary to capture data under both sets of rules for 2004-05, were identified and completed.
- A transitional balance sheet as at 1 July 2004 under AEIFRS was completed and presented to the sub-committee on 25 February 2005.
- An AEIFRS compliant balance sheet as at 30 June 2005 was also prepared during the preparation of the 2004-05 statutory financial reports.
- The 2004-05 balance sheet under AEIFRS will be reported to the Department of Finance and Administration in line with their reporting deadlines.

The plan also addresses the risks to successful achievement of the above objectives and includes strategies to keep implementation on track to meet deadlines.

##### *Major changes in accounting policy*

The Department believes that the first financial report prepared under AEIFRS i.e. at 30 June 2006, will be prepared on the basis that the Department will be a first time adopter under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. Changes in accounting policies under AEIFRS are applied retrospectively i.e. as if the new policy had always applied, except in relation to the exemptions available under AASB 1. This means that an AEIFRS compliant balance sheet had to be prepared as at 1 July 2004. This will enable the 2005-06 financial statements to report comparatives under AEIFRS.

A first time adopter of AEIFRS may elect to use exemptions under paragraphs 13 to 25E. When developing the accounting policies applicable to the preparation of the 1 July opening balance sheet, no exemptions were applied by DIMIA.

Changes to major accounting policies are discussed in the following paragraphs.

Management's review of the quantitative impacts of AEIFRS represents the best estimates of the impacts of the changes as at reporting date. The actual effects of the impacts of AEIFRS may differ from these estimates due to:

- continuing review of the impacts of AEIFRS on the Department's operations;
- potential amendments to AEIFRS and AEIFRS Interpretations; and
- emerging interpretation as to the accepted practice in the application of AEIFRS and AEIFRS Interpretations.

##### *Property, plant and equipment*

It is expected that the 2005-06 Finance Minister's Orders will continue to require property, plant and equipment assets to be valued at fair value in 2005-06. The Department already complies with the requirement to record assets at fair value.

Borrowing costs related to qualifying assets are currently capitalised. It is expected that the FMOs for 2005-06 will elect to expense all borrowing costs under AEIFRS. There are no borrowing costs related to qualifying assets that are currently capitalised by the Department.

#### *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 Australian equivalent on intangibles 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 derecognise the valuation component of the carrying amount of these assets on adoption of the Australian equivalent.

The impact of these changes would have the effect of reducing intangible assets by \$9,802,000, reducing the Assets Revaluation Reserve by \$7,601,000 and decreasing retained earnings by \$6,652,000. Amortisation of intangibles is expected to decrease by \$4,451,000 per annum. Cashflows relating to the funding of amortisation are expected to be reduced.

#### *Impairment of non-current assets*

Under AEIFRS these assets will be subject to assessment for impairment and, if there are indications of impairment, an assessment of the degree of 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.

The most significant changes are that, for the Department's cash generating units, the recoverable amount is only generally to be measured where there is an indication of impairment. Previously all assets' recoverable amount was tested.

However, an impairment assessment of the Department's assets indicated that no adjustments will be required.

#### *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 Australian 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.

An assessment was made and it was found that in all instances the current replacement cost of inventory was equal or greater than the original cost. Therefore no adjustment is required.

#### *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.

The 2003-04 financial report noted that AEIFRS may require the market yield on corporate bonds to be used. The AASB has decided that a deep market in high quality corporate bonds does not exist and therefore national government bonds will be used. AEIFRS require that annual leave that is not expected to be taken within 12 months of balance date is to be discounted. After assessing the staff leave profile, the Department does not expect that any material amounts of the annual leave balance will not be taken in the next 12 months. Consequently, there are no adjustments for non-current annual leave.

#### *Administered items*

Assessment of the administered assets and liabilities of the Department indicate that there are no adjustments due to the transition to AEIFRS.

#### *Financial Instruments*

AEIFRS include an option for entities not to restate comparative information in respect of financial instruments in the first AEIFRS report. It is expected that Finance Minister's Orders will require entities to use this option. Therefore, the amounts for financial instruments presented in the Department's 2004-05 primary financial statements are not expected to change as a result of the adoption of AEIFRS.

The Department will be required by AEIFRS to review the carrying amounts of financial instruments at 1 July 2005 to ensure they align with the accounting policies required by AEIFRS. It is expected that the carrying amounts of financial instruments held by the Department will not materially change as a result of this process.



<i>Reconciliation of impacts - AGAAP to AEIFRS</i>	<b>2004-05*</b>	2003-04
	<b>\$'000</b>	\$'000
<b>Reconciliation of departmental equity</b>		
Total departmental equity under AGAAP	311,375	217,252
Adjustments to accumulated results	(6,385)	(10,286)
Adjustments to other reserves	(7,601)	(7,601)
<b>Total equity under AEIFRS</b>	<b><u>297,389</u></b>	<b><u>199,365</u></b>
<b>Reconciliation of departmental accumulated results</b>		
Total departmental accumulated results under AGAAP	53,237	41,788
Adjustments:		
Assets - carrying value	(2,969)	(2,951)
Provisions	(7,335)	(7,335)
Depreciation	3,919	-
<b>Total accumulated results under AEIFRS</b>	<b><u>46,852</u></b>	<b><u>31,502</u></b>
<b>Reconciliation of departmental reserves</b>		
Total departmental reserves under AGAAP	51,526	51,526
Adjustment:		
Asset revaluation reserve	(7,601)	(7,601)
<b>Total departmental reserves under AEIFRS</b>	<b><u>43,925</u></b>	<b><u>43,925</u></b>
<b>Reconciliation of departmental contributed equity</b>		
Total departmental contributed equity under AGAAP	206,612	123,938
<b>Total contributed equity under AEIFRS</b>	<b><u>206,612</u></b>	<b><u>123,938</u></b>
<b>Reconciliation of net surplus / (deficit) from ordinary activities for year ending 30 June 2005</b>		
Total departmental reserves under AGAAP	11,449	
Adjustments:		
Depreciation and amortisation	3,919	
Write-down of assets	(2,969)	
<b>Net surplus / (deficit) from ordinary activities under AEIFRS</b>	<b><u>12,399</u></b>	

\* 30 June 2005 total represents the accumulated impacts of AEIFRS from the date of transition.

**Note 3 - Events occurring after reporting date**

From 1 July 2004 to 23 March 2005, ATSSIS continued as an executive agency and provided support to ATSSIC. The continuation of ATSSIS enabled the ongoing use of the ATSSIC assets by the Commonwealth pending the passing of the Aboriginal and Torres Strait Islander Commission Amendment Bill 2004, into legislation.

With the passing of the Bill, ongoing support for ATSSIC was no longer required. In addition, the assets of ATSSIC were transferred to other agencies of the Commonwealth. All remaining staff of ATSSIS were transferred to other Commonwealth agencies. As a result, there was no ongoing need to retain ATSSIS as an executive agency. ATSSIS was therefore abolished and the Financial Management and Accountability Act de-prescribed on 1 July 2005.

In the same way the residual assets and liabilities of ATSSIC were vested in the Department on behalf of the Commonwealth, the residual assets and liabilities of ATSSIS were transferred to the Department. Arrangements are in place for the Department to meet the residual financial obligations of ATSSIS. The Department is therefore expected to receive cash of \$3,767,986.

No contingent matters arose as a consequence of the abolition of ATSSIS.

	2004-05 \$'000	2003-04 \$'000
<b>Note 4 - Operating revenues</b>		
<b>Note 4A - Revenues from government</b>		
Appropriations for outputs	<u>947,001</u>	<u>750,158</u>
<b>Total revenues from government</b>	<u><u>947,001</u></u>	<u><u>750,158</u></u>
<b>Note 4B - Assets received from related entities</b>		
Assets received from related entities	<u>166</u>	<u>23,807</u>
<b>Total assets received from related entities</b>	<u><u>166</u></u>	<u><u>23,807</u></u>
Assets received from related entities in 2003-04 comprise Immigration Reception and Processing Centre staff housing on Christmas Island transferred from the Department of Transport and Regional Services on 1 July 2003.		
<b>Note 4C - Goods and services</b>		
Provision of goods - external entities	2,577	5,558
Provision of services - related entities	9,356	2,328
Provision of services - external entities	26,549	17,044
Resources received free of charge	<u>970</u>	<u>939</u>
<b>Total goods and services</b>	<u><u>39,452</u></u>	<u><u>25,869</u></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:		
- <i>Australian Customs Service</i> - provision of services of immigration checks on crew and passengers entering Australia, and the provision of flight services within the Torres Strait region;		
- <i>Office of Parliamentary Counsel</i> - legal services for legislative drafting; and		
- <i>Local Government Bodies</i> - facilitation and conduct of Australian Citizenship ceremonies.		
<b>Note 4D - Net gains / (losses) from sale of assets</b>		
Land and buildings:		
Proceeds from sale of assets	39	8
Value of assets sold	<u>(26)</u>	<u>(54)</u>
<b>Net gain / (loss) from sale of land and buildings</b>	<u>13</u>	<u>(46)</u>
Infrastructure, plant and equipment:		
Proceeds from sale of assets	353	51
Value of assets sold	<u>(1,157)</u>	<u>(544)</u>
<b>Net gain / (loss) from sale of infrastructure, plant and equipment</b>	<u>(804)</u>	<u>(493)</u>
Total proceeds from sale of assets	392	59
Total value of assets sold	<u>(1,183)</u>	<u>(598)</u>
<b>Total net gain / (loss) from sale of assets</b>	<u><u>(791)</u></u>	<u><u>(539)</u></u>
<b>Note 4E - Other</b>		
Recovery of costs	6,492	3,311
Other	<u>5,574</u>	<u>6,962</u>
<b>Total other</b>	<u><u>12,066</u></u>	<u><u>10,273</u></u>
<b>Note 4F - Reversal of previous asset write-downs</b>		
Write back of debtors	697	389
Other non-current assets	<u>200</u>	<u>1,231</u>
<b>Total reversal of previous asset write-downs</b>	<u><u>897</u></u>	<u><u>1,620</u></u>

**Note 5 - Operating expenses****Note 5A - Employees**

Wages and salary	273,538	214,553
Superannuation	52,889	40,590
Leave and other entitlements	58,574	37,637
Separation and redundancies	2,874	2,796
Other employee expenses	20,329	15,342
Worker compensation premiums	6,428	4,348
<b>Total employees</b>	<b>414,632</b>	<b>315,266</b>

**Note 5B - Suppliers**

Provision of goods - external entities	13,826	14,004
Rendering of services - related entities	36,086	59,820
Rendering of services - external entities	393,212	325,629
Operating lease rentals	65,344	47,557
<b>Total suppliers</b>	<b>508,468</b>	<b>447,010</b>

**Note 5C - Depreciation and amortisation***Depreciation*

Buildings	1,313	1,174
Leasehold improvements	18,928	16,748
Infrastructure, plant and equipment	8,444	7,251
<b>Total depreciation</b>	<b>28,685</b>	<b>25,173</b>

*Amortisation*

Assets held under finance lease	4,065	4,957
Intangibles - computer software	13,964	19,000
<b>Total amortisation</b>	<b>18,029</b>	<b>23,957</b>

**Total depreciation and amortisation**

<b>46,714</b>	<b>49,130</b>
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**Note 5D - Write-down of assets****Financial assets**

Receivables	10,335	4,545
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**Non-financial assets**

Land and buildings	5,407	842
Infrastructure, plant and equipment	721	651
<b>Total write-down of assets</b>	<b>16,463</b>	<b>6,038</b>

**Note 6 - Borrowing costs expense**

Finance leases	965	1,397
<b>Total borrowing costs expense</b>	<b>965</b>	<b>1,397</b>

**Note 7 - Financial assets****Note 7A - Cash**

Cash at bank and on hand	16,306	22,727
<b>Total cash</b>	<b>16,306</b>	<b>22,727</b>

**Note 7B - Receivables**

Goods and services	19,531	11,193
Less: Provision for doubtful debts	(8,635)	(3,625)
Loans	1,397	-
Less: Provision for doubtful debts	(1,397)	-
GST accrued receivable	4,385	4,432
GST from ATO	10,406	7,377
Appropriations	150,563	64,911
<b>Total receivables (net)</b>	<b>176,250</b>	<b>84,288</b>

All receivables are current assets.

Receivables (gross) are aged as follows:

Not overdue	168,793	82,700
Overdue by:		
less than 30 days	2,748	663
30 to 60 days	3,132	330
61 to 90 days	1,420	311
more than 90 days	10,189	3,909
<b>Total receivables (gross)</b>	<b>186,282</b>	<b>87,913</b>

The provision for doubtful debts is aged as follows:

Not overdue	-	-
Overdue by:		
less than 30 days	1,474	461
30 to 60 days	1,681	230
61 to 90 days	762	216
more than 90 days	6,115	2,718
<b>Total provision for doubtful debts</b>	<b>10,032</b>	<b>3,625</b>

**Note 8 - Non-financial assets****Note 8A - Land and buildings****Freehold land**

At cost	12,186	186
At 2003-04 valuation (fair value)	39,309	30,518
<b>Total land</b>	<b>51,495</b>	<b>30,704</b>

**Buildings on freehold land**

At cost	-	78
Less: accumulated depreciation	-	(3)
	-	75

At 2003-04 valuation (fair value)	58,912	38,674
Less: accumulated depreciation	(3,509)	(1,180)

<b>Total buildings on freehold land</b>	<b>55,403</b>	<b>37,494</b>
	<b>55,403</b>	<b>37,569</b>

**Leasehold improvements**

At cost	42,456	13,276
Less: accumulated depreciation	(4,804)	(568)
	37,652	12,708

Work in progress - at cost	6,049	12,781
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At 2003-04 valuation (fair value)	101,719	96,161
Less: accumulated depreciation	(35,941)	(16,183)

	65,778	79,978
<b>Total leasehold improvements</b>	<b>109,479</b>	<b>105,467</b>

<b>Total land and buildings</b>	<b>216,377</b>	<b>173,740</b>
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**Note 8B - Infrastructure, plant and equipment**

At cost	<b>45,253</b>	37,563
Less: accumulated depreciation	<u>(12,476)</u>	<u>(5,861)</u>
	<b>32,777</b>	31,702
Work in progress - at cost	<b>1,018</b>	108
At 2003-04 valuation (fair value)	<b>43,846</b>	39,847
Less: accumulated depreciation	<u>(14,233)</u>	<u>(6,087)</u>
	<b>29,613</b>	33,760
<b>Total infrastructure, plant and equipment</b>	<u><b>63,408</b></u>	<u>65,570</u>

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, 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 8C - Intangibles**

Work in progress - at cost	<b>9,702</b>	2,544
Purchased software at cost	<b>7,075</b>	6,530
Less: accumulated amortisation	<u>(5,199)</u>	<u>(4,208)</u>
	<b>1,876</b>	2,322
Internally developed software at cost	<b>126,596</b>	106,075
Less: accumulated amortisation	<u>(81,498)</u>	<u>(63,872)</u>
	<b>45,098</b>	42,203
<b>Total intangibles</b>	<u><b>56,676</b></u>	<u>47,069</u>

Note 8D - Analysis of property, plant, equipment and intangibles

TABLE A - Reconciliation of the opening and closing balances of property, plant, equipment and intangibles

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	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2004</b>														
Gross book value	30,704	38,752	-	191,674	122,218	77,518	115,149	384,341						
Accumulated depreciation/amortisation	-	(1,183)	-	(17,934)	(16,751)	(11,946)	(68,080)	(97,962)						
Opening net book value	30,704	37,569	-	173,740	105,467	65,570	47,069	286,379						
Additions														
by purchase	12,002	-	-	35,921	23,919	4,054	22,638	62,613						
from acquisition of operations	8,811	20,208	-	36,120	7,101	3,647	933	40,700						
Net revaluation increment/(decrement)	-	-	-	-	-	-	-	-						
Depreciation/amortisation expense	-	(1,313)	-	(20,241)	(18,928)	(12,509)	(13,964)	(46,714)						
Recoverable amount write-downs	-	-	-	-	-	-	-	-						
Disposals														
from disposal of operations	-	-	-	-	-	-	-	-						
other disposals	(22)	(114)	-	(5,432)	(5,296)	(1,132)	-	(6,564)						
Other movements														
write back of assets previously expensed	-	-	-	12	12	185	-	197						
other movements	-	(947)	-	(3,743)	(2,796)	3,593	-	(150)						
<b>As at 30 June 2005</b>														
Gross book value	51,495	58,912	-	260,631	150,224	90,116	143,373	494,120						
Accumulated depreciation/amortisation	-	(3,509)	-	(44,254)	(40,745)	(26,708)	(96,697)	(157,659)						
Closing net book value	51,495	55,403	-	216,377	109,479	63,408	56,676	336,461						

Net assets transferred in/out, in the table above, comprises:

- Acquisitions through acquisition of operations - net assets \$40,700,448 (2003-04: \$23,807,334).

- Disposals through disposal of operations - all due to administrative arrangements - net assets nil (2003-04: nil)

TABLE B - Property, plant, equipment and intangibles at valuation

Item	Land		Buildings on freehold land	Buildings - leasehold improvements	Total land & buildings	Infrastructure, plant & equipment	Intangibles - computer software	Total
	\$'000	\$'000						
<b>As at 30 June 2005</b>								
Gross value	39,309	58,912	101,719	195,940	43,846	243,786		
Accumulated depreciation/amortisation	-	(3,509)	(35,941)	(39,450)	(14,253)	(53,683)		
Closing net book value	39,309	55,403	65,778	160,490	29,613	190,103		
<b>As at 30 June 2004</b>								
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)		
Closing net book value	30,518	37,494	79,978	147,990	33,760	181,750		

TABLE C - Property, plant, equipment and intangibles 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						
<b>As at 30 June 2005</b>								
Gross value	-	-	-	-	-	24,202	-	24,202
Accumulated depreciation/amortisation	-	-	-	-	-	(9,021)	-	(9,021)
Closing net book value	-	-	-	-	-	15,181	-	15,181
<b>As at 30 June 2004</b>								
Gross value	-	-	-	-	-	23,456	-	23,456
Accumulated depreciation/amortisation	-	-	-	-	-	(4,956)	-	(4,956)
Closing net book value	-	-	-	-	-	18,500	-	18,500

TABLE D - Property, plant, equipment and intangibles under construction

Item	Buildings on freehold land		Buildings - leasehold improvements	Total land & buildings	Infrastructure, plant & equipment	Intangibles - computer software	Total
	\$'000	\$'000					
<b>As at 30 June 2005</b>							
Gross value	-	6,049	6,049	1,018	9,702	16,769	
<b>As at 30 June 2004</b>							
Gross value	-	12,781	12,781	108	2,544	15,433	

**Note 8E - Inventories**

Finished goods (cost)	64	70
<b>Total inventories</b>	<b>64</b>	<b>70</b>

All departmental inventories are current assets.

**Note 8F - Other non-financial assets**

Prepayments	11,517	8,036
Property bonds	1,912	2,699
Comcare receivable	169	-
Education bonds	178	152
Leasehold rights	1,313	113
<b>Total other non-financial assets</b>	<b>15,089</b>	<b>11,000</b>

All other non-financial assets are current assets.

**Note 9 - Interest bearing liabilities****Note 9A - Lease incentives**

Lease incentives	9,781	8,337
<b>Total lease incentives</b>	<b>9,781</b>	<b>8,337</b>

Lease incentives are represented by:

Current	960	724
Non-current	8,821	7,613
<b>Total lease incentives</b>	<b>9,781</b>	<b>8,337</b>

**Note 9B - Leases**

## Finance lease liabilities

Payable:		
Within one year	4,943	6,932
In one to five years	9,520	12,102
Minimum lease payments	14,463	19,034
Deduct: future finance charges	(1,123)	(1,894)
<b>Net lease liability</b>	<b>13,340</b>	<b>17,140</b>

Leases are represented by:

Current	4,700	6,208
Non-current	8,640	10,932
<b>Net lease liability</b>	<b>13,340</b>	<b>17,140</b>

Finance leases exist in relation to certain IT and communications equipment assets and are non-cancellable. The Department guarantees the residual values of all assets leased. There are no contingent rentals.

**Note 10 - Provisions****Note 10A - Employee provisions**

Salaries and wages	1,609	8,329
Leave	112,375	86,162
Superannuation	234	1,597
Separation and redundancies	2,078	-
Locally engaged staff resignation benefits	2,450	4,392
<b>Total employee provisions</b>	<b>118,746</b>	<b>100,480</b>

Employee provisions are represented by:

Current	52,013	33,918
Non-current	66,733	66,562
<b>Total employee provisions</b>	<b>118,746</b>	<b>100,480</b>



The Department has pension schemes for locally engaged staff at posts in London, Dublin and New Delhi. These schemes are not recognised in the financial statements. Figures disclosed below as accrued and vested benefits are based on the latest actuarial reports. For 2004-05, these dates are: London 30 June 2005; Dublin 30 May 2005; and New Delhi 31 March 2005 (for 2003-04: London 30 June 2004; Dublin 1 January 2003; and New Delhi 31 March 2004). Actuarial reviews are generally conducted on a triennial basis. The figures for net market values of plan assets have been obtained from the most recent financial reports of the schemes. For 2004-05, these dates are: London 30 June 2005; Dublin 30 May 2005 and New Delhi 31 March 2005 (for 2003-04: London 30 June 2004; Dublin 31 December 2003 and New Delhi 31 March 2004).

Accrued benefits	6,722	5,551
Net market value of plan assets	5,784	5,107
Net assets	(938)	(444)
Vested benefits	5,999	4,962

**Note 10B - Other provisions**

Other provisions	500	500
<b>Total other provisions</b>	<b>500</b>	<b>500</b>

Other provisions comprise provision for restoration to original condition for land leased on Nauru (all non-current).

**Note 11 - Suppliers**

Trade creditors	78,500	74,685
Operating lease rentals	3	12
<b>Total suppliers</b>	<b>78,503</b>	<b>74,697</b>

All suppliers payable are current.

Note 12A - Analysis of equity	Accumulated results		Asset revaluation reserve		Contributed equity		Total equity	
	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000
Opening balance as at 1 July	41,788	49,438	51,526	26,583	123,938	109,418	217,252	185,439
Net surplus/deficit	11,449	(7,650)					11,449	(7,650)
Net revaluation increments / (decrements)				24,943				24,943
<b>Transactions with owners:</b>								
Distributions to owner:								
Returns on capital								
Dividends								
Returns of capital:								
Restructuring					(13,369)		(13,369)	
Returns of contributed equity					58,768	14,520	58,768	14,520
Contributions by owner:					57,275		57,275	
Appropriations (equity injections)					(20,000)		(20,000)	
Restructuring								
Other								
Transfers to/(from) reserves								
Closing balance as at 30 June	53,237	41,788	51,526	51,526	206,612	123,938	311,375	217,252
Less: outside equity interests								
<b>Total equity attributable to the Australian Government</b>	<b>53,237</b>	<b>41,788</b>	<b>51,526</b>	<b>51,526</b>	<b>206,612</b>	<b>123,938</b>	<b>311,375</b>	<b>217,252</b>

**Note 12B - Restructure**2004-05  
\$'0002003-04  
\$'000**1. Programs Previously Administered By ATSIS**

As a result of a restructuring of administrative arrangements, the Department assumed administrative responsibility on 1 July 2004 for the following programs which were previously administered by the Aboriginal and Torres Strait Islander Services (ATSIS):

- Native Title and Land Rights
- Repatriation
- Indigenous Rights
- International Issues
- Torres Strait Islanders on the Mainland
- Public Information
- Community Participation Agreements
- Indigenous Women
- Planning and Partnership Development

In respect of the programs assumed, the net book value of departmental liabilities transferred to the Department for no consideration and recognised as at the date of transfer were:

Total liabilities recognised	(5,757)	-
<b>Net liabilities assumed</b>	<b>(5,757)</b>	<b>-</b>

**2. Closure of the Aboriginal and Torres Strait Islander Commission**

The Aboriginal and Torres Strait Islander Commission (ATSIC) ceased its operations through the passage of the *ATSIC Amendment Act 2005*. With effect from 24 March 2005, the Department assumed control of:

- ATSIC's residual assets and liabilities as defined in the Amendment Act.
- The Condah Land Account (a Special Account).
- The Framlingham Forest Account (a Special Account).
- The Aboriginal Advancement Account (a Special Account).
- The Other Trust Monies Account (a Special Account).
- The Services for Other Government and Non-Agency Bodies Account (a Special Account).

The net book value of departmental assets and liabilities transferred to the Department for no consideration and recognised as at the date of transfer were:

Total assets recognised	65,309	-
Total liabilities recognised	(2,277)	-
<b>Net assets assumed</b>	<b>63,032</b>	<b>-</b>
<b>Total net assets assumed in restructures</b>	<b>57,275</b>	<b>-</b>

**Note 13 - Cash flow reconciliation****Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows**

Cash at year end per Statement of Cash Flows	16,306	22,727
Statement of Financial Position items comprising above cash: Financial Asset - Cash	16,306	22,727

**Reconciliation of net surplus / (deficit) to net cash from operating activities:**

Net Surplus / (deficit)	11,449	(7,650)
Depreciation / amortisation	46,714	49,129
(Gain) / loss on sale of non-current assets	791	539
Write-down of assets	5,402	1,492
Assets recognised for the first time	(200)	(1,232)
Increase / (decrease) in net assets - transfers of assets	(166)	(23,807)
Restructure	(9,451)	-
<i>Change in assets and liabilities</i>		
(Increase) / decrease in receivables	(71,680)	14,630
(Increase) / decrease in accrued revenue	12,533	36
(Increase) / decrease in inventories	6	184
(Increase) / decrease in other non-financial assets	(4,089)	(1,221)
Increase / (decrease) in lease incentives	1,444	-
Increase / (decrease) in employee provisions	18,266	8,289
Increase / (decrease) in payables	3,749	(4,514)
<b>Net cash from / (used by) operating activities</b>	<b>14,768</b>	<b>35,875</b>

**Note 14 - Contingent liabilities and assets***Quantifiable contingencies*

The schedule of contingencies reports net contingent liabilities in respect of claims for damages/costs and offshore contingencies of \$5,411,043 (2004: \$846,946). 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.

*Unquantifiable contingencies*

As at 30 June 2005 the Department had a number of legal claims against it. The Department has denied liability in the majority of cases 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 2005 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 \$1,810,000 (2004: \$1,420,665).

As at 30 June the Department had also provided indemnities to a number of organisations. For five contracts where liability is limited, the potential liability is \$118,116,000 (2004: 11 contracts and \$159,610,000). One contract provides for unlimited indemnities (2004: 9 contracts). It is considered unlikely that the Department will have to bear any of these costs.

**Note 15 - Executive remuneration**

	2004-05	2003-04
The number of executives who received or were due to receive total remuneration of \$100,000 or more:		
\$100,000 to \$109,999	3	-
\$110,000 to \$119,999	6	-
\$130,000 to \$139,999	4	-
\$140,000 to \$149,999	3	3
\$150,000 to \$159,999	5	5
\$160,000 to \$169,999	10	8
\$170,000 to \$179,999	9	9
\$180,000 to \$189,999	10	5
\$190,000 to \$199,999	9	7
\$200,000 to \$209,999	5	1
\$210,000 to \$219,999	3	2
\$220,000 to \$229,999	1	2
\$230,000 to \$239,999	3	2
\$240,000 to \$249,999	2	2
\$250,000 to \$259,999	-	1
\$260,000 to \$269,999	1	-
\$270,000 to \$279,999	2	-
\$290,000 to \$299,999	1	-
\$300,000 to \$309,999	-	1
\$360,000 to \$369,999	1	-
\$370,000 to \$379,999	1	-
\$410,000 to \$419,999	1	-
\$420,000 to \$429,999	-	1

The aggregate amount of total remuneration of executives shown above. \$ 14,963,991 \$ 9,682,996

The aggregate amount of separation and redundancy/termination payments during the year to executives shown above. \$ 312,257 \$ 124,947

**Note 16 - Remuneration of auditors**

Financial statement audit services are provided free of charge to the Department. The fair value of the audit services provided was: \$ 665,000 \$ 425,000  
No other services were provided by the Auditor-General.

**Note 17 - Average staffing levels**

The average staffing levels for the Department during the year were: 5,806 4,826



**Note 18B - Net fair values of financial assets and liabilities**

	Notes	2004-05		2003-04	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
<b>Departmental</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>					
Cash at bank	7A	16,306	16,306	22,727	22,727
Receivables for goods and services (net)	7B	10,896	10,896	7,568	7,568
Accrued revenue	7B	1,644	1,644	14,177	14,177
Appropriations receivable	7B	150,563	150,563	64,911	64,911
<b>Total financial assets</b>		<b>179,409</b>	<b>179,409</b>	<b>109,383</b>	<b>109,383</b>
<b>Financial liabilities (recognised)</b>					
Finance lease liabilities	9B	13,340	13,340	17,140	17,140
Operating lease rentals	11	3	3	12	12
Trade creditors	11	78,462	78,462	74,685	74,685
<b>Total financial liabilities (recognised)</b>		<b>91,805</b>	<b>91,805</b>	<b>91,837</b>	<b>91,837</b>
<b>Financial liabilities (unrecognised)</b>					
Indemnities	14	118,116	-	159,610	-

**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 18C - 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.

<b>Note 19 - Revenues administered on behalf of government</b>	<b>2004-05</b>	<b>2003-04</b>
<i>Non-taxation revenue</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Note 19A - Fees and charges</b>		
Visa application charges	408,571	386,944
Citizenship charges	12,200	10,749
Other fees and charges	4,743	6,495
<b>Total fees and charges</b>	<b>425,514</b>	<b>404,188</b>
<b>Note 19B - Goods and services</b>		
<b>Sale of goods and services - external entities</b>		
Adult Migrant English Program	9,800	8,931
OAA Accomodation Program	273	395
<b>Total sales of goods and services - external entities</b>	<b>10,073</b>	<b>9,326</b>
<b>Note 19C - Interest</b>		
Cash	1,239	-
Deposits	17,252	-
Government bonds	6,279	-
<b>Total Interest</b>	<b>24,770</b>	<b>-</b>
<b>Note 19D - Proceeds from sale of assets</b>		
Proceeds from sale of deposits and government securities	271,889	-
<b>Total proceeds from sale of assets</b>	<b>271,889</b>	<b>-</b>
<b>Note 19E - Other</b>		
Other revenue	4,214	4,340
<b>Total other revenue</b>	<b>4,214</b>	<b>4,340</b>
<b>Note 20 - Expenses administered on behalf of government</b>		
<b>Note 20A - Grants</b>		
Private sector - non-profit entities	384,087	28,735
<b>Total grants</b>	<b>384,087</b>	<b>28,735</b>
<b>Note 20B - Subsidies</b>		
Subsidies to NAATI, IOM, IGC and joint Commonwealth and State research programs	12,693	1,435
<b>Total subsidies</b>	<b>12,693</b>	<b>1,435</b>
<b>Note 20C - Payments to special accounts</b>		
Payments to special accounts	46,580	-
<b>Total payments to special accounts</b>	<b>46,580</b>	<b>-</b>
<b>Note 20D - Personal benefits</b>		
Direct	3,167	7,456
Indirect	3,048	4,396
State payment - refugee minors	1,215	839
<b>Total personal benefits</b>	<b>7,430</b>	<b>12,691</b>
<b>Note 20E - Employees</b>		
Wages and salaries	373	-
Superannuation	38	-
Workers compensation premiums	6	-
<b>Total employees</b>	<b>417</b>	<b>-</b>
<b>Note 20F - Suppliers</b>		
<b>Rendering of services - external entities</b>		
Adult Migrant English Program	118,255	98,791
Legal costs for indigenous affairs and reconciliation	3,320	2,742
Migration agents payments	3,011	3,241
Refugee maintenance, accommodation and humanitarian expense	11,931	20,117
Offshore Management of Asylum Seekers	35,446	38,335
Other	7,455	-
<b>Total suppliers</b>	<b>179,418</b>	<b>163,226</b>



**Note 20G - Write-down and impairment of assets****Financial assets**

Receivables	30,224	58,526
Waived debts	333	3,972
Losses	4	1
<b>Total write-down and impairment of assets</b>	<b>30,561</b>	<b>62,499</b>

**Note 20H - Value of assets sold**

Value of deposits and government bonds sold	275,577	-
<b>Total value of assets sold</b>	<b>275,577</b>	<b>-</b>

**Note 21 - Assets administered on behalf of government****Financial assets****Note 21A - Cash**

Administered bank account - DIMIA	4,140	3,426
Special accounts	47,745	-
<b>Total cash</b>	<b>51,885</b>	<b>3,426</b>

**Note 21B - Receivables**

Immigration fees and charges	1,463	761
Goods and services	375	924
Less: provision for doubtful debts	(164)	(176)
Detainee debts	5,838	15,707
Less: provision for detainee doubtful debts	(5,838)	(15,707)
GST accrued receivable	6,241	8,114
GST receivable from ATO	2,005	2,918
<b>Total receivables (net)</b>	<b>9,920</b>	<b>12,541</b>

## Receivables (gross) are aged as follows:

Not overdue	9,134	17,976
Overdue by:		
less than 30 days	2,022	2,351
30 to 60 days	655	3,289
61 to 90 days	676	2,236
more than 90 days	3,435	2,572
<b>Total receivables (gross)</b>	<b>15,922</b>	<b>28,424</b>

## The provision for doubtful debts is aged as follows:

Not overdue	694	10,045
Overdue by:		
less than 30 days	1,581	1,314
30 to 60 days	512	1,838
61 to 90 days	529	1,249
more than 90 days	2,686	1,437
<b>Total provision for doubtful debts</b>	<b>6,002</b>	<b>15,883</b>

**Note 21C - Accrued revenues**

Accrued interest	20,630	-
Other accrued revenue	77,588	96,933
Provision for unrecoverable accrued revenue	(59,180)	(84,838)
<b>Total accrued revenues</b>	<b>39,038</b>	<b>12,095</b>

**Note 21D - Investments in commonwealth entities****Commonwealth Authorities**

- Aboriginal and Torres Strait Islander Commission	-	292,894
- Aboriginal Hostels Ltd	-	40,104
- Anindilyakwa Land Council	159	159
- Australian Institute of Aboriginal and Torres Strait Islander Studies	-	2,557
- Central Land Council	5,074	5,074
- Indigenous Business Australia	-	50,767
- Indigenous Land Corporation	72,696	72,696
- Northern Land Council	851	851
- Tiwi Land Council	(47)	(47)
- Torres Strait Regional Authority	15,903	15,903
<b>Total investments in commonwealth entities</b>	<b>94,636</b>	<b>480,958</b>

<b>Note 21E - Investments in deposits and government securities</b>		
Deposits	1,168,033	-
Government securities	399,807	-
<b>Total investments in deposits and government securities</b>	<b>1,567,840</b>	<b>-</b>
<b>Note 22 - Liabilities administered on behalf of government</b>		
<b>Note 22A - Suppliers</b>		
Trade creditors	15,922	16,428
<b>Total suppliers</b>	<b>15,922</b>	<b>16,428</b>
<b>Note 22B - Grants</b>		
Grants to non-profit entities	21,058	-
<b>Total grants</b>	<b>21,058</b>	<b>-</b>
All liabilities are expected to be settled within 12 months of balance date.		
<b>Note 23 - Administered reconciliation table</b>		
Opening administered assets less administered liabilities as at 1 July	480,520	464,512
Add: administered revenues	773,905	490,451
Less: administered expenses	(940,806)	(268,586)
<b>Administered transfers to / from Australian Government</b>		
Appropriation transfers from OPA:		
Annual appropriations administered expenses	612,875	216,188
Special appropriations (unlimited)	53,071	3,500
Transfers to OPA	(484,351)	(422,232)
Restructuring	1,581,981	-
GST drawdown and payable to OPA	(1,922)	(3,337)
Movement in carrying amount of investments in commonwealth entities	(386,322)	24
Revaluation increment - investments in deposits and government securities	19,801	-
<b>Closing administered assets less administered liabilities</b>	<b>1,708,752</b>	<b>480,520</b>
<b>Note 24 - Administered restructure</b>		
<b>Closure of the Aboriginal and Torres Strait Islander Commission</b>		
The Aboriginal and Torres Strait Islander Commission ceased its operations through the passage of the <i>ATSIC Amendment Act 2005</i> . With effect from 24 March 2005, the Department assumed control of:		
<ul style="list-style-type: none"> <li>• The Aboriginal and Torres Strait Islander Land Fund (Special Account)</li> <li>• The Aboriginal Benefits Account (Special Account)</li> </ul>		
The net book value of assets and liabilities transferred to the Department for no consideration and recognised as at the date of transfer were:		
Total assets recognised	1,598,163	-
Total liabilities recognised	(14,689)	-
<b>Net assets assumed</b>	<b>1,583,474</b>	<b>-</b>
The net book value of assets and liabilities transferred by the Department for no consideration and recognised as at the date of transfer were:		
Total assets relinquished	(1,493)	-
<b>Net assets relinquished</b>	<b>(1,493)</b>	<b>-</b>
<b>Net contribution by Government as owner during the year</b>	<b>1,581,981</b>	<b>-</b>

**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 2005 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 (2004:\$20,665).

**Note 26 - Administered investments**

The principal activities of each of the Department's administered investments are as follows:

- *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.
- *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 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.

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			
		1 year or less		1 to 5 years		> 5 years		1 to 5 years		> 5 years		\$'000		\$'000		%			
		2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	
<b>Financial assets</b>																			
Cash at bank	21A	28,443	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a
Goods and services receivable	21B	-	-	19,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a
Fees receivable	21B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a
Accrued revenue	21C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a
Investments in deposits and government securities	21E	86,689	-	1,042,993	-	296,852	-	-	-	-	-	-	-	-	-	-	-	-	n/a
<b>Total</b>		<b>115,132</b>	<b>-</b>	<b>1,062,293</b>	<b>-</b>	<b>296,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,018</b>	<b>17,206</b>	<b>1,567,840</b>	<b>-</b>	<b>17,206</b>	<b>5.63</b>
<b>Total assets</b>																			
<b>Financial liabilities</b>																			
Trade creditors	22A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a
Grants payable	22B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>																			

## Note 27B - Net fair values of administered financial assets and liabilities

	Notes	2004-05		2003-04	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash at bank	21A	51,885	51,885	3,426	3,426
Receivables	21B	1,674	1,674	1,509	1,509
Accrued revenue	21C	39,038	39,038	12,095	12,095
Investments in deposits and government securities	21E	1,567,840	1,567,840	-	-
<b>Total</b>		<u>1,660,437</u>	<u>1,660,437</u>	<u>17,030</u>	<u>17,030</u>
<b>Financial liabilities</b>					
Trade creditors	22A	15,922	15,922	16,428	16,428
Grants payable	22B	21,058	21,058	-	-
<b>Total</b>		<u>36,980</u>	<u>36,980</u>	<u>16,428</u>	<u>16,428</u>

**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.

**Note 28 - Appropriations**  
**Note 28A - Acquittal of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations**

Particulars	Administered expenses					Departmental outputs	Total
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5		
	\$	\$	\$	\$	\$	\$	\$
<b>2004-05 (Current period)</b>							
Balance carried from previous period	69,105,634	13,671,262	966,547	-	-	249,999,697	333,732,140
Adjustments to opening balances - corrections to balance brought forward	5,054,196	425,664	3,302,607	-	-	51,605,177	60,397,644
Reductions of appropriations (prior years)	(70,395,506)	(17,989,694)	(1,631,866)	-	-	-	(80,017,066)
<b>Adjusted balance carried from previous period</b>	<b>3,764,324</b>	<b>(3,892,768)</b>	<b>2,637,288</b>	-	-	<b>301,693,874</b>	<b>304,102,718</b>
Appropriation Act (No.1) 2004-2005	102,930,000	168,639,000	4,500,000	-	1,016,496,000	1,010,725,000	2,303,290,000
Appropriation Act (No.3) 2004-2005	336,000	2,057,000	1,115,000	-	6,932,000	1,673,000	12,113,000
Comcovert receipts (Appropriation Act s 13)	-	-	-	-	-	14,788,400	14,788,400
Adjustment of appropriations on change of entity function (FMA Act s 32)	-	-	-	-	(655,269,414)	(73,843,569)	(729,113,013)
Refunds credited (net) (FMA Act s 30)	42,828	837,575	-	-	-	2,613,243	3,693,646
<b>Sub-total 2004-05 Annual Appropriation</b>	<b>103,308,828</b>	<b>171,533,575</b>	<b>5,615,000</b>	-	<b>368,168,586</b>	<b>956,166,044</b>	<b>1,604,772,033</b>
Appropriations to take account of recoverable GST (FMA Act s 30A)	5,779,916	14,189,718	419,612	-	27,417,905	43,812,553	91,619,704
Annotations to 'net appropriations' (FMA s 31)	-	-	-	-	-	62,580,662	62,580,662
<b>Total appropriation available for payments</b>	<b>112,853,068</b>	<b>181,830,525</b>	<b>8,671,900</b>	-	<b>395,576,491</b>	<b>1,364,143,133</b>	<b>2,063,075,117</b>
Cash payments made during the year (GST inclusive)	(63,579,078)	(154,137,072)	(4,615,740)	-	(385,060,749)	(1,012,449,355)	(1,619,841,994)
Appropriations credited to Special Accounts (excluding GST)	-	-	-	-	-	-	-
<b>Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations</b>	<b>49,273,990</b>	<b>27,693,453</b>	<b>4,056,160</b>	-	<b>10,515,742</b>	<b>351,693,778</b>	<b>443,233,123</b>
<i>Represented by:</i>							
Cash	-	-	15,009	-	-	16,306,183	20,445,877
Appropriation receivable	-	2,207,084	-	-	1,917,601	120,386,040	120,386,040
GST receivable from ATO (net)	-	-	-	-	-	10,206,370	10,206,370
GST receivable from customers	-	-	-	-	-	1,017,568	1,017,568
Adjustments to opening balances - corrections to balance brought forward	-	-	-	-	-	(4,501,347)	(4,501,347)
Payables - GST Payable	49,273,990	25,486,369	4,041,151	-	8,598,141	208,278,964	295,678,615
Undrawn, unapplied appropriations	-	-	-	-	-	-	-
<b>Total</b>	<b>49,273,990</b>	<b>27,693,453</b>	<b>4,056,160</b>	-	<b>10,515,742</b>	<b>351,693,778</b>	<b>443,233,123</b>

Particulars	Administered expenses					Departmental outputs	Total
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5		
<b>2003-04 (Comparative period)</b>							
Balance carried from previous period	\$ 10,113,519	\$ 17,855,628	\$ 159			\$ 235,098,726	\$ 263,068,032
Appropriation Act (No.1) 2003-2004	129,285,000	144,862,000	5,554,000			781,448,000	1,061,149,000
Appropriation Act (No.3) 2003-2004		765,000				5,804,000	6,569,000
Appropriation Act (No.5) 2003-2004		5,041,094	15,000,000			36,363,499	15,000,000
Appropriations to take account of recoverable GST (FMA Act s30A)	2,103,016		716,769			24,903,985	44,224,378
Annotations to 'net appropriations' (FMA Act s31)						281,015	24,903,985
Amounts from Comcover receipts (FMA Act s12)						(2,000,000)	281,015
Adjustment of appropriations on change of entity function (FMA Act s32)			(29,941)				(2,000,000)
Appropriation lapsed	(12,349,677)	(10,254,759)					(22,634,377)
<b>Total appropriation available for payments</b>	<b>129,151,858</b>	<b>158,268,953</b>	<b>21,240,987</b>			<b>1,081,899,225</b>	<b>1,390,561,033</b>
Payments made during the year (GST inclusive)	(60,046,224)	(144,597,701)	(20,274,440)			(831,910,528)	(1,066,828,893)
Appropriations credited to Special Accounts							
<b>Balance carried to the next period</b>	<b>69,105,634</b>	<b>13,671,252</b>	<b>966,547</b>			<b>249,988,697</b>	<b>333,732,140</b>

FMA = Financial Management and Accountability Act 1997

Act 1 = Appropriations Act (No.1) 2004-2005

Act 3 = Appropriations Act (No.3) 2004-2005

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. By the time of the completion of the 2004-05 financial statements, only the 2003-04 administered appropriations were formally lapsed.

Particulars	Administered expenses										Non-operating				Total	
	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Outcome 5		Equity	Loans	Previous years' outputs	Admin assets and liabilities		
	SPPs	NAE	SPPs	NAE	SPPs	NAE	SPPs	NAE	SPPs	NAE						
<b>2004-05 (Current period)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance carried from previous year	-	1,487,062	-	-	-	-	-	-	-	-	19,796,668	-	-	-	-	21,283,730
Reduction of appropriations (prior years)	-	(985,865)	-	-	-	-	-	-	-	-	-	-	-	-	-	(885,865)
<b>Adjusted balance carried from previous period</b>	-	-	-	-	-	-	-	-	-	-	19,796,668	-	-	-	-	20,299,875
Appropriation Act (No.2) 2004-2005	-	2,140,000	-	-	-	-	-	-	-	-	55,198,000	-	-	-	-	71,038,000
Appropriation Act (No.4) 2004-2005	-	-	-	-	-	-	-	-	-	-	3,570,000	-	-	-	-	3,570,000
Adjustment of appropriations on change of entity function (FMA Act s 32)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,814,000)
Refunds credited (net) (FMA Act s 30)	-	123,784	-	-	-	-	-	-	-	-	-	-	-	-	-	123,784
<b>Sub-total 2004-05 Annual Appropriation</b>	-	2,263,784	-	-	-	-	-	-	-	-	58,768,000	-	-	-	-	61,917,784
Appropriations to take account of recoverable GST (FMA Act s 30A)	-	-	-	-	-	-	-	-	-	-	3,857,641	-	-	-	-	3,857,641
Total appropriations available for payments	-	2,263,784	-	-	-	-	-	-	-	-	82,422,309	-	-	-	-	86,000
Cash payments made during the year (GST inclusive)	-	(1,088,571)	-	-	-	-	-	-	-	-	(42,434,049)	-	-	-	-	(886,000)
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(44,408,620)
<b>Balance of authority to draw cash from the Consolidated Revenue Fund for other than ordinary annual services appropriations</b>	-	1,678,420	-	-	-	-	-	-	-	-	39,988,260	-	-	-	-	41,666,680
Represented by:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation receivable	-	-	-	-	-	-	-	-	-	-	30,176,638	-	-	-	-	30,176,638
Undrawn, unapplied appropriations	-	1,678,420	-	-	-	-	-	-	-	-	9,811,622	-	-	-	-	11,490,042
<b>Total</b>	-	1,678,420	-	-	-	-	-	-	-	-	39,988,260	-	-	-	-	41,666,680

Particulars	Administered expenses										Non-operating				Total	
	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Outcome 5		Equity	Loans	Previous years' outputs	Admin assets and liabilities		
	SPPs	NAE	SPPs	NAE	SPPs	NAE	SPPs	NAE	SPPs	NAE						
<b>2003-04 (Comparative period)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance carried from previous period	-	-	528,257	-	-	-	-	-	-	-	12,079,240	-	-	-	-	12,606,497
Appropriation Act (No.2) 2003-2004	-	1,823,000	-	-	-	-	-	-	-	-	13,236,000	-	-	-	-	15,059,000
Appropriation Act (No.4) 2003-2004	-	-	-	-	-	-	-	-	-	-	1,284,000	-	-	-	-	1,284,000
Appropriations to take account of recoverable GST (FMA Act s 30A)	-	72,121	-	-	-	-	-	-	-	-	441,900	-	-	-	-	514,021
Appropriations lapsed	-	-	-	-	-	-	-	-	-	-	(31,036)	-	-	-	-	(31,036)
<b>Total appropriation available for payments</b>	-	2,393,342	-	-	-	-	-	-	-	-	27,041,140	-	-	-	-	29,434,482
Cash payments made during the year (GST inclusive)	-	(906,290)	-	-	-	-	-	-	-	-	(7,244,472)	-	-	-	-	(8,150,762)
Appropriations credited to Special Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance carried to next period</b>	-	1,487,062	-	-	-	-	-	-	-	-	19,796,668	-	-	-	-	21,283,730

FMA = Financial Management and Accountability Act 1997  
Act 2 = Appropriations Act (No.2) 2004-05  
Act 4 = Appropriations Act (No.4) 2004-05

Notes:

1. The Finance Minister may determine amounts of administered appropriations to be lapsed having regard to expenses incurred. In prior years, DJMIA 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. By the time of the completion of the 2004-05 financial statements, only the 2003-04 administered appropriations were formally lapsed.



## Note 28C - Acquittal of authority to draw cash from the Consolidated Revenue Fund - special appropriations (limited amount)

Financial Management and Accountability Act 1997 ; s21 (Administered)	Outcome 4	
	2004-05	2003-04
	\$	\$
<i>Purpose:</i> For the receipt and disbursement of the equivalent of mining royalty monies derived from mining operations on Aboriginal land in the Northern Territory		
All transactions under this Act are recongised as administered items.		
<i>Aboriginal Benefits Account</i>		
Cash payments made to special account	(50,031,346)	-
<i>Budget estimate</i>	54,350,000	-

Aboriginal Land Rights (Northern Territory) Act 1976 – section 48D	Outcome 4	
	2004-05	2003-04
	\$	\$
<i>Purpose:</i> An Act providing for the granting of Traditional Aboriginal Land in the Northern Territory for the benefits of Aboriginals, and for other The Ranger Agreement, completed under section 44 of the <i>Aboriginal Land Rights (Northern Territory) Act 1976</i> was made between the Commonwealth and the Northern Land Council in November 1978 to provide for various payments in respect of mining on the Ranger Project Area, which is on Aboriginal land. Under this agreement the Commonwealth agreed to pay \$200,000 annually to the Northern Land Council as a form of rental. (All transactions under this Act are recongised as administered items.). In 2004-2005, the Ranger Appropriation was administered by DIMIA on behalf of the Aboriginal and Torres Strait Islander Commission (ATSIC).		
All transactions under this Act are recongised as administered items.		
<i>Ranger Agreement</i>		
Cash payments made during year	-	-
<i>Budget estimate</i>	200,000	-

Aboriginal And Torres Strait Islander Act 2005 - section 193-193C	Outcome 4	
	2004-05	2003-04
	\$	\$
<i>Purpose:</i> Sections 193-193C of the ATSI Act appropriates and debits the Consolidated Revenue Fund (CRF) for the purpose making the credits prescribed by that section to the Aboriginal and Torres Strait Islander Land Fund, which is a Special Account within the CRF. This appropriation was previously administered by ATSIC under the former ATSIC Act 1989 – section 193.		
All transactions under this Act are recongised as administered items.		
<i>Aboriginal and Torres Strait Islander Land Fund</i>		
Cash payments made during the year	4,038,109	-
<i>Budget estimate</i>	65,124,000	-

## Note 28C - Acquittal of authority to draw cash from the Consolidated Revenue Fund - special appropriations (unlimited amount)

Migration Act 1958 - section 332B (Administered)	Outcome 1	
	2004-05	2003-04
	\$	\$
<i>Purpose:</i> To deal with registration applications and monitor the conduct of registered agents and lawyers in the provision of immigration assistance.		
<i>Statutory Self-regulation of Migration Agents</i>		
Cash payments made during the year	(3,010,899)	(3,180,332)
<i>Budget estimate</i>	5,000,000	4,000,000

Financial Management and Accountability Act 1997 - section 28A (Administered)	2004-05	2003-04
	\$	\$
<i>Purpose:</i> 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>Refund of Immigration fees and fines</i>		
Cash payments made during the year	(2,629,549)	(3,372,659)
<i>Budget estimate</i>	-	4,000,000

Financial Management and Accountability Act 1997 - section 39	Outcome 4	
	2004-05	2003-04
	\$	\$
<i>Purpose:</i> Investing in authorised investments (administered).		
Payments Made	(850,069,000)	-
<i>Budget Estimate</i>	-	-

**Note 28D - Special Accounts**  
**Table A: Special Accounts**

<b>Aboriginal Benefit Account - Special Account (Administered)</b>	<b>2004-05</b>	<b>2003-04</b>
Legal authority: Aboriginal Land Rights (Northern Territory) Act 1976 – section 63	\$	\$
<i>Purpose:</i> for the receipt and disbursement of the equivalent of mining royalty monies derived from mining operations on Aboriginal land in the Northern Territory		
This account became an administered item for DIMIA from 24 March 2005, and was managed by DIMIA on behalf of ATSIC since 1 July 2004. This account is interest bearing.		
Balance carried forward	113,821,315	-
Appropriation for reporting period	3,261,784	-
Costs recovered	-	-
GST Credits (FMA s 30A)	8,725	-
Interest receipts	930,141	-
Gain / (loss) on sale of investments	(36,650)	-
Available for payments	117,985,315	-
Payments made to land councils	(1,169,200)	-
Payments made to suppliers	(139,617)	-
Grants	(573,627)	-
Repayments debited from the Special Account (s 28)	-	-
Investments debited from the Special Account (FMA s 39)	-	-
<b>Balance carried to next year</b>	<b>116,102,871</b>	<b>-</b>
<i>Represented by:</i>		
Cash	20,576,827	-
Investments	95,526,044	-
<b>Total</b>	<b>116,102,871</b>	<b>-</b>

<b>Aboriginal and Torres Strait Islander Land Fund Account (Administered)</b>	<b>2004-05</b>	<b>2003-04</b>
Legislation: Aboriginal and Torres Strait Islander Act 2005 – section 193	\$	\$
<i>Purpose:</i> The Land Fund was built up to become a self-sustaining capital fund by 30 June 2004. It is to provide a secure and ongoing source of funds to the Indigenous Land Council to provide economic, environmental, social and cultural benefits for Aboriginal and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous land base. This account is interest bearing.		
Balance carried from previous year	1,408,795,915	-
Appropriations for reporting period	-	-
Gain on sale of investments	-	-
Interest received	12,208,870	-
Available for payment	1,421,004,785	-
Payments made to the Indigenous Land Council	(4,038,109)	-
Payments made to suppliers	-	-
Loss on sale of investments	(3,652,402)	-
Other payments made	(201,690)	-
Total payments made	(7,892,201)	-
<b>Balance carried to next year</b>	<b>1,413,112,584</b>	<b>-</b>
<i>Represented by:</i>		
Cash	27,167,987	-
Investments	1,385,944,597	-
<b>Total</b>	<b>1,413,112,584</b>	<b>-</b>

Following a performance audit of the Land Fund and the ABA by the ANAO which was tabled in 2005, certain investments were noted as being non-compliant with section 39 of the *Financial Management and Accountability Act 1997*. All of the investments that were agreed as non-compliant were sold prior to the 24th of March 2005, that is, prior to the passing of the responsibility of the Land Fund to the Department. There was some residual uncertainty regarding three investments. While they were believed to be compliant, they were also sold prior to balance date. The sale of all non-compliant and possibly non-compliant investments did not result in a net loss to the Commonwealth.

Australian Population, Multicultural and Immigration Research Program Account	2004-05	2003-04
Legal authority: Financial Management and Accountability Act 1997, s20	\$	\$
<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 period	300,730	277,428
Appropriation for reporting period	-	50,000
Other Receipts	50,451	50,000
Available for payments	351,181	377,428
Payments made to suppliers	(172,060)	(76,698)
<b>Balance carried to next year</b>	<b>179,121</b>	<b>300,730</b>
<i>Represented by:</i>		
Cash - transferred to the Official Public Account	179,121	300,730
<b>Total</b>	<b>179,121</b>	<b>300,730</b>

Other trust monies account - Department of Immigration and Multicultural and Indigenous Affairs	2004-05	2003-04
Legal authority: Financial Management and Accountability Act 1997, s20	\$	\$
<i>Purpose:</i> for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance carried from previous period	34,686,477	28,512,419
Other receipts		
Visitor visa bonds	82,904,011	71,474,485
Compliance bonds	11,095,400	9,905,467
COMCARE	1,280,194	995,306
COAG Indigenous Trials		228,052
Other	641,418	17,997
Available for payments	130,607,500	111,133,726
Repayments debited from the Special Account (s 26)		
Visitor visa bonds	(88,702,054)	(66,334,145)
Compliance bonds	(11,349,873)	(8,912,745)
COMCARE	(1,235,493)	(995,122)
COAG Indigenous Trials	(25,000)	(195,000)
Other	(1,388)	(10,237)
<b>Balance carried to next year</b>	<b>29,293,692</b>	<b>34,686,477</b>
<i>Represented by:</i>		
Cash - transferred to the Official Public Account	29,293,692	34,686,477
<b>Total</b>	<b>29,293,692</b>	<b>34,686,477</b>

#### Other Special Accounts

The following accounts also became an administered item for DIMIA from the commencement of the ATSI Act 2005 at 24 March 2005.

Between 24 March 2005 to balance date, the following special accounts had a nil balance and recorded no transactions:

- Condah Land Account, under the *Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987*;
- Framlingham Forest Account, under the *Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987*;
- Aboriginal Advancement Account, under the *Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987*;
- DIMIA Services for Other Government and Non Agencies Bodies Account (SOG), under Determination 31/12/1997;
- ATSI Other Trust Monies Account (OTM), under Determination 31/12/1997\*; and
- ATSI Services for Other Government and Non Agencies Bodies Account, under Determination 31/12/1997\*.

\* By Determination of the Minister For Finance, under the Financial Management and Accountability Determination 2005/05 & 2005/06 made under s20(3) of the FMA Act, these two accounts have been abolished effective 3 May 2005 as they duplicated the Other Trust Monies Account and Services for Other Government and Non Agencies Bodies Account already administered by DIMIA.

Table B: Special Accounts investment of public money

Aboriginal and Torres Strait Islander Land Fund Account (Administered): Investment of public money under section 39 of the FMA Act and sections 18 and 19 of the CAC Act		2004-05	2003-04
		\$	\$
Opening balance		1,408,795,915	-
Investments made		1,471,974,512	-
Interest earned		12,208,870	-
Transaction charges		-	-
Investments realised		(1,475,828,604)	-
Other - payment to Indigenous Land Council		(4,038,109)	-
<b>Closing balance</b>		<b>1,413,112,584</b>	<b>-</b>

Aboriginal Benefit Account - Special Account (Administered): Investment of public money under section 39 of the FMA Act and sections 18 and 19 of the CAC Act		2004-05	2003-04
		\$	\$
Opening balance		113,821,315	-
Investments made		61,846,322	-
Interest earned		930,141	-
Transaction charges		-	-
Investments realised		(60,494,907)	-
<b>Closing balance</b>		<b>116,102,871</b>	<b>-</b>

	2004-05 \$	2003-04 \$
<b>Note 29 - Specific payment disclosures</b>		
<b>29A - Departmental specific payments</b>		
<b>Act of grace payments</b>		
No act of grace payments were made during the reporting period (2004: Nil payments made).	-	-
<b>Waivers made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i></b>		
Two waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2004: Nil waivers made).	9,800	-
<b>Payments made under the Defective Administration Scheme</b>		
Thirteen payments were made under the 'Defective Administration Scheme' during the reporting period (2004: Six payments made).	33,137	1,544
<b>Payments made under s73 of the <i>Public Service Act 1999</i></b>		
No payments were made under s73 of the <i>Public Service Act 1999</i> during the reporting period (2004: Nil payments made).	-	-
<b>29B - Administered specific payments</b>		
<b>Act of grace payments</b>		
Three act of grace payments were made during the reporting period (2004: Two payments made).	5,795	3,828
<b>Waivers made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i></b>		
Afghani Reintegration Package <sup>1</sup>	-	-
Iranian Reintegration Package <sup>2</sup>	-	17,901,850
East Timorese Reintegration Package <sup>3</sup>	-	3,050,000
Other <sup>4</sup>	213,792	933,619
	<u>213,792</u>	<u>21,885,469</u>
1. The debt waiver approved for Afghani returnees was \$8,600,000. The amount requested and approved to 30 June 2005 was \$81,377 consisting of sixteen individual applicants (\$1,426,391 consisting of thirty two individual applicants to 30 June 2004).		
2. The debt waiver approved for Iranian returnees was \$17,901,850. The amount requested and approved to 30 June 2005 was \$58,618 consisting of eight individual applicants (2003-04: \$1,612,590 consisting of 25 individual applicants).		
3. The debt waiver approved for East Timorese returnees was \$3,050,000. No amount had been requested against this package.		
4. For the financial year ended 30 June 2005 debts waived consisted of Bushfire Victims Citizenship Certificates (\$385, consisting of seven waivers at \$55 each), detention costs for ten applicants (\$212,407), and a Refugee Review Tribunal post-decision fee for another applicant (\$1,000). For the year to 30 June 2004, Bushfire Victims citizenship certificates \$1,760 (consisting of 26 waivers at \$55 each) and detention costs for six applicants (\$931,859) were requested and approved.		
<b>Ex-gratia payments</b>		
No ex-gratia payments were made during the reporting period (2004: No payments made).	-	-
<b>Payments made under the Defective Administration Scheme</b>		
No Payments were made under the 'Defective Administration Scheme' during the reporting period (2004: No payments made).	-	-

**Note 30 - Reporting of outcomes**

**Note 30A - Net cost of outcome delivery**

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Outcome 5		Total	
	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000
<b>Expenses</b>												
Administered	96,378	118,873	152,175	130,917	4,320	18,799	328,954	-	358,979	-	940,806	288,589
Departmental	748,799	696,625	135,184	116,756	5,359	6,085	4,334	-	94,916	-	988,592	819,466
<b>Total expenses</b>	<b>845,177</b>	<b>815,498</b>	<b>287,359</b>	<b>247,673</b>	<b>9,679</b>	<b>24,884</b>	<b>333,288</b>	<b>-</b>	<b>453,895</b>	<b>-</b>	<b>1,929,398</b>	<b>1,088,055</b>
<b>Costs recovered</b>												
Administered												
Non-taxation fees and charges	413,123	388,882	12,200	15,117	191	189	-	-	-	-	425,514	404,188
Sales of goods and services	273	395	9,800	8,931	-	-	-	-	-	-	10,073	9,326
Other non-taxation revenues	40,218	76,923	1,289	13	-	-	296,701	-	110	-	338,318	76,936
Departmental												
Sales of goods and services	19,564	11,606	9,522	12,955	1	6	-	-	39	-	29,126	24,567
Other revenues from independent sources	11,508	10,883	1,366	550	50	36	-	-	498	-	13,422	11,489
<b>Total costs recovered</b>	<b>484,686</b>	<b>488,689</b>	<b>34,177</b>	<b>37,566</b>	<b>242</b>	<b>231</b>	<b>296,701</b>	<b>-</b>	<b>647</b>	<b>-</b>	<b>816,453</b>	<b>526,486</b>
<b>Other external revenues</b>												
Administered	-	-	-	-	-	-	-	-	-	-	-	-
Departmental												
Sales of goods and services from related entities	898	1,131	2,161	165	388	9	-	-	6,888	-	10,326	1,305
Other revenues from related entities	106	24,292	60	26	-	2	-	-	-	-	166	24,320
<b>Total other external revenues</b>	<b>1,004</b>	<b>25,423</b>	<b>2,221</b>	<b>191</b>	<b>388</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>6,888</b>	<b>-</b>	<b>10,491</b>	<b>25,625</b>
<b>Net cost/(contribution) of outcome</b>	<b>359,487</b>	<b>301,368</b>	<b>250,971</b>	<b>209,916</b>	<b>9,049</b>	<b>24,642</b>	<b>36,587</b>	<b>-</b>	<b>446,360</b>	<b>-</b>	<b>1,102,454</b>	<b>535,944</b>

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 2003-04 for the 2004-05 Budget. The basis of attribution in the above table is consistent with the basis used for the 2004-05 Budget.

Outcomes 1,2,3,4 and 5 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. Additional information on resourcing by outcome is contained in the Outcomes Resourcing Tables at figure 3 pages 17-19 of this Annual Report.

Note 30B - Major classes of departmental revenue and expenses by output groups and outputs

	2005										2004									
	Departmental expenses					Funded by:					Departmental expenses					Funded by:				
	Employees	Suppliers	Depreciation	Other	Total expenses	Revenue from Govt.	Sales of goods & services	Other non tax revenue	Total Revenue	Employees	Suppliers	Depreciation	Other	Total expenses	Revenue from Govt.	Sales of goods & services	Other non tax revenue	Total revenue		
<b>Outcome 1</b>																				
Output Group 1.1	28,416	20,299	1,908	380	52,003	42,861	1,657	272	44,700	24,673	14,265	2,387	148	41,473	31,489	1,644	246	33,359		
Output 1.1.1	33,857	23,603	2,388	510	60,388	66,128	724	380	67,232	38,880	25,958	4,051	486	69,375	56,794	988	479	56,271		
Output 1.1.2	970	802	73	10	1,665	1,778	16	8	1,812	1,124	714	99	6	1,943	1,423	6	10	1,439		
Output 1.1.3	47,072	46,019	5,866	1,399	99,356	81,976	1,560	2,665	86,002	30,937	30,902	3,979	470	65,988	60,483	1,154	574	62,221		
Output 1.1.4	27,308	18,315	1,909	423	49,953	58,409	324	40,488	24,002	24,002	21,522	2,849	208	48,489	41,963	585	546	42,994		
Output 1.1.5	27,053	16,724	1,724	285	47,786	44,188	1,060	521	46,729	28,866	16,713	2,528	168	45,897	36,698	358	458	38,659		
Total Output Group 1.1	171,816	132,076	14,241	3,077	321,112	306,907	5,969	4,238	316,545	150,853	113,588	16,452	1,522	262,445	238,630	5,382	2,173	246,175		
Output Group 1.2	12,334	11,402	1,089	309	25,134	32,899	111	189	32,999	10,738	7,124	1,779	60	18,701	19,027	59	123	19,208		
Output 1.2.1	20,752	12,955	965	209	34,891	30,854	135	214	31,203	18,591	9,673	1,142	80	29,686	33,811	84	166	34,061		
Output 1.2.2	33,096	24,357	2,054	618	60,225	63,553	246	403	64,202	29,329	16,797	1,921	140	48,187	52,838	142	289	53,269		
<b>Total Output Group 1.2</b>	24,927	20,981	2,231	289	48,428	60,719	170	3,278	64,167	18,003	32,799	3,825	94	54,721	48,264	1,031	1,209	50,504		
Output 1.3.1	19,847	17,444	1,810	340	39,441	40,876	467	1,295	42,638	20,730	19,781	2,232	112	42,855	61,317	1,521	1,563	64,401		
Output 1.3.2	19,500	14,018	1,224	164	34,988	29,702	164	211	30,077	14,455	11,976	1,572	64	28,057	26,947	565	675	28,187		
Output 1.3.3	18,523	16,261	1,059	173	35,016	34,172	113	180	34,466	14,569	12,124	1,220	53	27,966	30,335	623	761	31,719		
Output 1.3.4	16,822	83,802	12,364	3,182	126,880	104,983	281	660	103,484	15,004	120,208	12,906	1,141	149,259	126,302	2,940	4,035	133,282		
Output 1.3.5	8,023	39,630	5,587	325	53,567	31,382	13,067	1,200	45,669	4,974	30,922	318	4,738	40,353	26,514	527	664	27,705		
Total Output Group 1.3	108,542	282,336	18,013	14,127	348,034	289,394	14,252	5,818	320,460	87,933	227,170	22,073	6,253	343,217	319,619	7,212	8,907	355,796		
Output Group 1.4	173	198	14	3	388	294	7	8	308	253	118	1	-	349	-	-	-	-		
Output Group 1.5	2,300	13,022	62	73	15,457	23,795	43	41	23,879	1,793	8,412	24	41	10,270	10,310	-	-	10,310		
Output 1.5.1	1,183	6,589	1,426	20	11,398	21,988	23	114	22,125	482	10,724	946	-	12,162	12,192	-	-	35,959		
Output 1.5.2	3,463	21,591	1,489	93	26,635	45,783	66	165	46,004	2,285	19,136	970	41	22,432	22,502	-	-	23,807		
<b>Total Output Group 1.5</b>	313,710	380,351	35,910	17,818	746,199	714,431	20,481	11,816	746,807	270,125	377,147	41,477	7,936	696,425	633,839	12,736	35,176	46,309		
<b>Outcome 2</b>																				
Output Group 2.1	3,634	3,961	579	53	8,127	15,822	78	55	12,855	3,837	4,871	581	17	9,416	10,713	33	50	10,796		
Output 2.1.1	6,648	37,331	481	89	44,449	44,500	79	144	44,723	5,772	25,930	360	14	31,566	29,688	52	143	29,883		
Output 2.1.2	6,643	6,468	688	76	11,774	10,254	66	77	10,387	5,029	2,976	725	39	8,769	10,679	25	51	10,755		
Output 2.1.3	1,243	2,722	2,149	37	6,151	5,407	29	762	7,780	2,992	2,992	2,365	66	5,770	8,408	20	41	8,469		
Output 2.1.4	689	1,822	134	16	2,661	7,842	608	784	7,842	608	784	108	3	4,424	10,120	18	49	10,189		
Total Output Group 2.1	17,487	56,454	4,621	270	75,182	81,655	262	1,028	83,105	15,365	36,153	4,170	139	58,545	69,608	148	334	70,097		
Output Group 2.2	4,065	8,481	1,281	100	13,917	2,136	-	-	1,336	198	408	49	(4)	651	-	-	-	-		
Output 2.2.1	1,681	14,907	489	50	16,817	14,837	114	17,146	3,267	6,069	1,013	(82)	12,287	3,875	5,103	-	-	8,962		
Output 2.2.2	5,738	3,574	1,790	150	11,240	(778)	11,062	151	10,433	5,209	12,665	1,606	(128)	19,432	5,699	12,757	-	22,475		
<b>Total Output Group 2.2</b>	12,886	10,486	924	142	24,448	22,291	212	155	22,667	11,546	11,403	1,176	86	24,211	17,836	168	153	18,157		
Output 2.3.1	14,308	14,009	1,053	13	5,053	3,831	235	11	3,665	1,125	3,165	103	4	4,417	2,990	11	23	3,024		
Output 2.3.2	8,378	7,365	468	74	16,285	10,522	125	81	10,728	6,847	4,784	1,279	90	28,628	20,826	179	176	21,181		
Output 2.3.3	45,979	81,352	135,188	848	135,188	117,674	11,874	1,428	130,791	41,250	67,860	7,954	122	116,756	113,768	13,117	575	128,860		
<b>Total Outcome 2</b>	2,764	2,164	363	36	5,359	5,792	389	60	6,331	3,911	2,084	169	1	6,084	3,851	15	38	3,404		
Output Group 3.1	2,764	2,164	363	36	5,359	5,792	389	60	6,331	3,911	2,084	169	1	6,084	3,851	15	38	3,404		
<b>Total Outcome 3</b>	2,764	2,164	363	36	5,359	5,792	389	60	6,331	3,911	2,084	169	1	6,084	3,851	15	38	3,404		





Note 30C - Major classes of administered revenues and expenses by outcome

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Outcome 5		Total	
	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000	2004-05 \$'000	2003-04 \$'000
<b>Administered revenues</b>												
Fees and charges	413,123	388,882	12,200	15,117	191	189	-	-	-	-	425,514	404,188
Immigration fines	4,918	5,292	-	-	-	-	-	-	-	-	4,918	5,292
Goods and services	273	395	9,800	8,931	-	-	-	-	-	-	10,073	9,326
Recovery of detention costs	32,527	67,305	-	-	-	-	-	-	-	-	32,527	67,305
Interest	-	-	-	-	-	-	24,769	-	1	-	24,770	-
Proceeds from sale of assets	-	-	-	-	-	-	271,889	-	-	-	271,889	-
Other	2,773	4,327	1,289	13	-	-	43	-	109	-	4,214	4,340
<b>Total administered revenues</b>	<b>453,614</b>	<b>466,201</b>	<b>23,289</b>	<b>24,061</b>	<b>191</b>	<b>189</b>	<b>296,701</b>	<b>-</b>	<b>110</b>	<b>-</b>	<b>773,905</b>	<b>490,451</b>
<b>Administered expenses</b>												
Grants	6	4	29,165	28,731	1,000	-	2,192	-	351,724	-	384,087	28,735
Subsidies	12,209	994	484	441	-	-	-	-	-	-	12,693	1,435
Payments to special accounts	-	-	-	-	-	-	46,580	-	-	-	46,580	-
Personal benefits	3,160	9,733	4,270	2,958	-	-	-	-	-	-	7,430	12,891
Employees	-	-	-	-	-	-	169	-	248	-	417	-
Suppliers	50,437	45,643	118,256	98,767	3,320	18,796	398	-	7,007	-	179,418	163,226
Net write-down of assets	30,561	62,499	-	-	-	-	-	-	-	-	30,561	62,499
Value of assets sold	-	-	-	-	-	-	275,577	-	-	-	275,577	-
Transfer to Indigenous Land Corpora	-	-	-	-	-	-	4,038	-	-	-	4,038	-
Other	5	-	-	-	-	-	-	-	-	-	5	-
<b>Total administered expenses</b>	<b>96,378</b>	<b>118,873</b>	<b>152,175</b>	<b>130,917</b>	<b>4,320</b>	<b>18,796</b>	<b>328,954</b>	<b>-</b>	<b>358,979</b>	<b>-</b>	<b>940,806</b>	<b>268,586</b>

Outcomes 1, 2, 3, 4 and 5 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—Membership list of non-statutory bodies

### **Council for Multicultural Australia**

Mr Benjamin Chow (NSW) Chair  
Dr Mustapha Alameddin (NSW)  
Ms Barbra Blomberg (TAS)  
Mr Julian Heath (NSW)  
Dr Helen Nugent AO (NSW)  
Ms Stavroula Raptis (SA)  
Associate Professor Boni Robertson (QLD)  
Dr Colin Rubenstein (VIC)  
Ms Jillian Segal AM (NSW)  
Mr Yasser Soliman (VIC)  
Professor Tom Stannage AM (WA)  
Superintendent Michael Van Heythuysen OAM (NT)  
Mr Wilson Wu (WA)  
Ms Karen Stewart (VIC)  
Ms Jenny Wong (QLD)  
Ms Fofy Prouzos (ACT)  
Ms Catherine Boomer (ACT)

### **Refugee Resettlement Advisory Council**

Major General Warren Glenny 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

Sister Loreto Conroy

Air Marshal Ray Funnell AC (Retd)

Major General Warren Glenny AO RFD ED (Retd)

The Hon. Gerry Hand

Professor Harry Minas

The Hon. Margaret Reid AO

**National Indigenous Council**

Dr Sue Gordon AM (WA) Chair

Mr Wesley Aird (QLD)

Dr Archie Barton AM (SA)

Professor Mary Ann Bin-Sallik (NT)

Ms Miriam Rose Ungunmerr-Baumann OAM (NT)

Mr Joseph Elu (QLD)

Mr Robert Lee (NT)

Mr Adam Goodes (VIC)

Dr Sally Goold OAM (QLD)

Dr John Moriarty AM (NSW)

Mr Warren Mundine (NSW)

Mr Joe Procter (WA)

Mr Michael White (QLD)

Ms Tammy Williams (QLD)

## Appendix 2—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 2005

Previous citizenship	Persons	Previous citizenship	Persons
Afghanistan	726	Bulgaria	79
Albania	201	Burundi	3
Algeria	23	Cambodia	393
Angola	1	Cameroon	11
Argentina	187	Canada	954
Armenia	23	Chile	403
Austria	68	China, People's Republic of	7 798
Azerbaijan	4	Colombia	249
Bahrain	6	Comoros	2
Bangladesh	579	Congo	12
Barbados	5	Congo, Democratic Republic of	5
Belarus	30	Costa Rica	6
Belgium	37	Croatia	383
Belize	4	Cuba	10
Bermuda	1	Cyprus	57
Bolivia	10	Czech Republic	58
Bosnia and Herzegovina	1 047	Czechoslovakia, former	6
Botswana	4	Denmark	44
Brazil	214	Djibouti	2
Brunei Darussalam	14	Dominican Republic	4

Previous citizenship	Persons
Ecuador	49
Egypt	336
El Salvador	66
Eritrea	134
Estonia	13
Ethiopia	426
Fiji	1 570
Finland	175
France	447
Gambia	2
Georgia	12
Germany	551
Ghana	117
Greece	203
Grenada	2
Guatemala	3
Guinea	4
Guinea-Bissau	1
Guyana	3
Haiti	1
Honduras	5
Hungary	105
Iceland	11
India	5 027
Indonesia	1 052
Iran	805
Iraq	2 115
Ireland	1 063

Previous citizenship	Persons
Israel	264
Italy	819
Jamaica	12
Japan	92
Jordan	155
Kazakhstan	27
Kenya	201
Kiribati	9
Korea, Democratic People's Republic of	8
Korea, Republic of	1 124
Kuwait	27
Kyrgyzstan	26
Laos	60
Latvia	28
Lebanon	1 136
Liberia	85
Libya	1
Liechtenstein	3
Lithuania	31
Macedonia, Former Yugoslav Republic of	393
Madagascar	1
Malawi	7
Malaysia	1 798
Maldives	8
Mali	1
Malta	618
Marshall Islands	1

Previous citizenship	Persons
Mauritius	206
Mexico	41
Moldova	13
Mongolia	4
Morocco	32
Mozambique	2
Myanmar (Burma)	296
Namibia	10
Nauru	11
Nepal	209
Netherlands	609
New Zealand	9 363
Nicaragua	6
Niger	1
Nigeria	93
Norway	12
Pakistan	893
Panama	1
Papua New Guinea	134
Paraguay	10
Peru	163
Philippines	3 653
Poland	280
Portugal	276
Puerto Rico	1
Romania	273
Russian Federation	572
Rwanda	15

Previous citizenship	Persons
Samoa	74
San Marino	1
Saudi Arabia	2
Senegal	6
Serbia and Montenegro	880
Seychelles	38
Sierra Leone	231
Singapore	759
Slovakia	59
Slovenia	23
Solomon Islands	38
Somalia	269
South Africa	5 085
Spain	105
Sri Lanka	1 711
St Lucia	1
St Vincent and the Grenadines	1
Sudan	1 429
Suriname	2
Swaziland	1
Sweden	349
Switzerland	211
Syria	156
Tajikistan	1
Taiwan	1 148
Tanzania	21
Thailand	889
Timor-Leste	25

Previous citizenship	Persons
Togo	2
Tonga	219
Trinidad and Tobago	12
Tunisia	1
Turkey	780
Tuvalu	10
U.S.S.R., former	28
Uganda	18
Ukraine	233
United Arab Emirates	3
United Kingdom	20 127

Previous citizenship	Persons
United States of America	1 554
Uruguay	74
Uzbekistan	33
Vanuatu	8
Venezuela	67
Vietnam	2 056
Yemen	8
Zambia	39
Zimbabwe	611
Not stated/other	1 622
Total	93 095

**Countries or Territories in which persons who became Australian citizens in the year ending 30 June 2005 ordinarily resided immediately before entering Australia**

Previous residence	Persons
Afghanistan	337
Albania	189
Algeria	18
American Samoa	1
Angola	3
Argentina	198
Armenia	21
Australia*	616
Austria	80
Azerbaijan	5
Bahamas	4

Previous residence	Persons
Bahrain	33
Bangladesh	545
Barbados	6
Belarus	30
Belgium	61
Belize	2
Bermuda	9
Bolivia	9
Bosnia and Herzegovina	822
Botswana	33
Brazil	215

\* Includes, but not exclusively, children born in Australia to permanent residents.



Previous residence	Persons
Brunei Darussalam	58
Bulgaria	73
Burundi	3
Cambodia	388
Cameroon	4
Canada	969
Cayman Islands	4
Chile	399
China, People's Republic of	6 327
Colombia	240
Comoros	2
Congo	11
Congo, Democratic Republic of	4
Cook Islands	30
Costa Rica	10
Cote d'Ivoire	3
Croatia	644
Cuba	12
Cyprus	105
Czech Republic	58
Czechoslovakia, former	11
Denmark	48
Djibouti	13
Dominican Republic	3
Ecuador	47
Egypt	792
El Salvador	63
Eritrea	64
Estonia	20

Previous residence	Persons
Ethiopia	286
Fiji	1 548
Finland	161
France	374
French Guiana	1
French Polynesia	9
Gambia	7
Georgia	15
Germany	739
Ghana	113
Greece	581
Guadeloupe	1
Guam	3
Guatemala	5
Guinea	130
Guinea-Bissau	1
Guyana	2
Hong Kong Special Administrative Region	1 627
Honduras	3
Hungary	97
Iceland	6
India	4 697
Indonesia	1 039
Iran	877
Iraq	1 132
Ireland	941
Israel	309
Italy	763

Previous residence	Persons
Jamaica	14
Japan	164
Jordan	394
Kazakhstan	26
Kenya	561
Kiribati	9
Korea, Democratic People's Republic of	5
Korea, Republic of	1 093
Kuwait	55
Kyrgyzstan	26
Laos	53
Latvia	32
Lebanon	1 172
Lesotho	3
Liberia	24
Libya	4
Liechtenstein	2
Lithuania	31
Luxembourg	4
Macau Special Administrative Region	49
Macedonia, Former Yugoslav Republic of	362
Madagascar	1
Malawi	19
Malaysia	1 716
Maldives	9
Mali	1
Malta	619

Previous residence	Persons
Mauritania	1
Mauritius	199
Mexico	43
Moldova	11
Mongolia	4
Morocco	24
Mozambique	3
Myanmar (Burma)	233
Namibia	12
Nauru	15
Nepal	209
Netherlands	552
Netherlands Antilles	3
New Caledonia	33
New Zealand	9 463
Nicaragua	6
Niger	2
Nigeria	137
Niue	2
Norway	33
Oman	48
Pakistan	1 159
Panama	3
Papua New Guinea	218
Paraguay	8
Peru	161
Philippines	3 621
Poland	272
Portugal	219

Previous residence	Persons
Puerto Rico	1
Qatar	18
Romania	259
Russian Federation	556
Rwanda	7
Samoa	78
Saudi Arabia	71
Senegal	7
Serbia and Montenegro	1 652
Seychelles	40
Sierra Leone	128
Singapore	1 030
Slovakia	55
Slovenia	25
Solomon Islands	40
Somalia	155
South Africa	5 409
Spain	117
Sri Lanka	1 546
St Lucia	1
Sudan	926
Swaziland	9
Sweden	350
Switzerland	268
Syria	263
Tajikistan	1
Taiwan	1 139

Previous residence	Persons
Tanzania	20
Thailand	982
Timor-Leste	68
Togo	2
Tokelau	1
Tonga	198
Trinidad and Tobago	11
Tunisia	1
Turkey	978
Tuvalu	11
U.S.S.R., former	22
Uganda	93
Ukraine	224
United Arab Emirates	271
United Kingdom	19 080
United States of America	1 648
Uruguay	75
Uzbekistan	30
Vanuatu	11
Venezuela	71
Vietnam	2 002
Yemen	21
Zambia	42
Zimbabwe	761
Stateless	17
Not stated/other	53
Total	93 095

Source: ICSE data extraction, Outcomes Reporting Section, DIMIA, 25 July 2005.

## Appendix 3—Performance pay

### Employees by classification who received performance pay

Classification level	Number who received Performance pay
Executive Level 1	22
Executive Level 2	42
SES B1	34
SES B2/SES B3	22
Total	120

### Aggregated amount of performance payments by classification level

Classification Level	Aggregated amount of performance pay
Executive Level 1	\$132 685
Executive Level 2	\$281 195
SES B1	\$267 833
SES B2/SES B3	\$356 951
Total	\$1 038 664

### Average bonus payments and range of payments by classification level

Classification Level	Average Bonus Payment	Range of Payments
Executive Level 1	\$6 031	\$3 194–\$11 924
Executive Level 2	\$6 695	\$1 654–\$13 085
SES B1	\$7 877	\$892–\$15 250
SES B2/SES B3	\$16 225	\$6 284–\$41 808

### Aggregate bonus payment for the agency as a whole

The aggregate amount of performance pay paid during the year was	\$1 038 664
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## Appendix 4—Senior executive service

Senior Executive Service							
As at 30 June 2004				As at 30 June 2005*			
Actual Classification	Female	Male	Total	Actual Classification	Female	Male	Total
SEB 1	18	19	37	SEB 1	30	37	67
SEB 2	3	9	12	SEB 2	7	12	19
SEB 3	1	1	2	SEB 3	1	3	4
Total	22	29	51	Total	38	52	90

\* Includes OIPC in 2005

## Appendix 5—Staffing levels by location

Staffing level by location		
Location	As at 30 June 2004	As at 30 June 2005
Total Central Office	1 902	2 614
New South Wales	1 076	1 175
Victoria	614	697
Queensland	243	311
South Australia	245	282
Western Australia	312	320
Tasmania	55	68
Northern Territory	34	44
Act Regional Office	75	82
Overseas* (A-based Staff)	164	161
Australia Total	4 720	5 754
Overseas** (Lee)	680	679
Total	5 400	6 433

\* This figure includes staff in transit pool awaiting placement

\*\* Overseas staff administered by the Department of Foreign Affairs and Trade on behalf of the department

## Appendix 6—Staffing level by classification (as at 30 June 2005)

Classification	Ongoing				Non-ongoing				Overall Total				
	Full Time		Part Time		Full Time		Part time						
	Female	Male	Total	Female	Male	Total	Female	Male		Total			
APS1	8	4	12	1	0	1	1	2	8	12	20	35	
APS2	30	16	46	3	0	3	19	12	31	5	6	11	91
APS3	460	225	685	67	4	71	130	53	183	4	0	4	943
APS4	613	362	975	93	6	99	36	10	46	5	1	6	1126
APS5	486	356	842	70	11	81	18	15	33	1	0	1	957
APS6	543	419	962	99	11	110	15	15	30	3	4	7	1109
CADST	3	1	4	0	0	0	0	0	0	0	0	0	4
EXEC1	386	401	787	67	2	69	7	17	24	2	2	4	884
EXEC2	133	157	290	12	1	13	4	4	8	2	3	5	316
GRADUATE	45	20	65	0	0	0	0	0	0	0	0	0	65
LEGAL	18	7	25	0	0	0	6	2	8	0	0	0	33
M02	0	2	2	2	2	4	0	1	1	0	1	1	8
M03	0	0	0	0	0	0	1	1	2	0	0	0	2
M04	1	0	1	0	0	0	0	0	0	0	0	0	1
PA02	6	5	11	0	0	0	0	0	0	0	0	0	11

Classification	Ongoing						Non-ongoing						Overall Total	
	Full Time			Part Time			Full Time			Part time				
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total		
PA03	3	1	4	0	1	1	1	0	1	0	0	0	0	6
PRLEG	10	5	15	2	0	2	1	0	1	0	0	0	0	18
SEC	0	1	1	0	0	0	0	0	0	0	0	0	0	1
SEB1	30	36	66	0	0	0	0	1	1	0	0	0	0	67
SEB2	6	12	18	0	0	0	1	0	1	0	0	0	0	19
SEB3	1	3	4	0	0	0	0	0	0	0	0	0	0	4
SNLEG	20	21	41	5	0	5	0	0	0	0	0	0	0	46
SPA0A	1	0	1	0	0	0	0	0	0	0	0	0	0	1
SPA0B	1	1	2	0	0	0	0	0	0	0	0	0	0	2
ACAD	1	0	1	0	0	0	0	0	0	0	0	0	0	1
PA01	3	1	4	0	0	0	0	0	0	0	0	0	0	4
Total	2808	2056	4864	421	38	459	240	132	372	30	29	59	5754	



## Appendix 7—Salary level by classification

Classification levels, local titles including broadbands, and salary rates		
APS Classification	Local Title	Salary at 30 June 2005
<b>Training Classifications</b>		
Aboriginal Cadets' pay rates during full time study. 60% of full time APS1 junior rates		\$11 345–\$18908
APS 1 and Aboriginal Cadets during practical training		\$18 908–\$34 952
Graduate APS		\$35 666–\$39 673
<b>APS Level and Executive Level Employees</b>		
APS Level 1		\$18 908–\$34 952
APS Level 2		\$35 666–\$39 673
APS Level 3		\$40 622–\$44 150
APS Level 4		\$45 275–\$49 284
APS Level 5		\$50 500–\$53 670
APS Level 6		\$54 543–\$62 838
EXEC Level 1		\$69 853–\$76 165
EXEC Level 2		\$80 541–\$94 381
<b>Legal Officers</b>		
APS Level 4	Legal Officer	\$47 932
APS Level 5		\$52 083
APS Level 6		\$54 543–\$62 838
EXEC Level 1	Senior Legal Officer	\$69 853–\$85 331
EXEC Level 2	Principal Legal Officer	\$93 889–\$96 945

Classification levels, local titles including broadbands, and salary rates		
APS Classification	Local Title	Salary at 30 June 2005
<b>Public Affairs Officers</b>		
APS Level 4	Public Affairs Officer 1	\$46 715–\$49 161
APS Level 5	Public Affairs Officer 1	\$52 083–\$53 670
APS Level 6	Public Affairs Officer 2	\$57 432–\$64 683
EXEC Level 1	Public Affairs Officer 3	\$76 165–\$85 331
EXEC Level 2	Senior Public Affairs Officer B	\$88 632–\$91 687
	Senior Public Affairs Officer A	\$93 521–\$96 578
<b>Medical Officers</b>		
		\$90 088–\$93 644
		\$100 699–\$104 035
		\$109 824–\$119 316
<b>Senior Executive Service</b>		
		\$105 000–\$130 000
		\$148 000–\$234 282

## Appendix 8—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 2004–05.

### **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 on 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, quit smoking programs, the sponsorship of corporate sporting events, and the provision of a gym for staff in Central Office. This year's Australian Bureau of Statistics Fun Run was also strongly supported by staff.

## Incidents

There were 140 incidents reported to Comcare under Section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. Of these, 1 involved a death, 64 involved serious personal injury and 75 were dangerous occurrences.

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. A serious personal injury is an injury where a person requires emergency medical treatment.

The number of incidents has increased across the department. This increase can be attributed to a greater awareness of reporting requirements among staff and contractors, including those involved in compliance operations and detention centres.

## Notices and investigations

There were no Provisional Improvement Notices issued under Section 29 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

There were no investigations conducted under Section 41, or any notices issued under Sections 46 and 47, of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

## Comcare premium

The department's compensation premium rate for 2005–06 is 1.60 per cent, which is lower than the average premium rate for Australian Government agencies of 1.77 per cent. The primary drivers of the premium rate are claims costs and frequency of claims. A strong focus on early intervention and rehabilitation by departmental case managers over the past two years has resulted in a premium rate reduction despite an increase in staffing numbers.

## Appendix 9—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 NSW Public Access Unit, DIMIA Sydney, GPO Box 9984, Sydney NSW 2001.

FOI requests with contact addresses in Victoria should be sent to Parliamentary and Public Access Section, 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 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 #	The department holds documents relating to grants provided to various organisations under the programs it 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 as well as information about movements into and out of Australia. This is located on individual 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 are available for purchase via an online subscription service, <i>LEGENDcom</i> , on the department's website. 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 available on the department's website ([www.immi.gov.au](http://www.immi.gov.au)) and/or at the public inquiry counters of the department's Australian and overseas offices.

## Appendix 10—Advertising and market research

Expenditure on advertising and market research contracts during the year

<b>Advertising Agencies</b>	<b>\$</b>
Total for advertising agencies	0
<b>Market Research</b>	<b>\$</b>
The Research Forum Developmental research for a proposed Australian Citizenship Communication Campaign	104 559
The Hiser Group Pty Limited Accessibility and Usability Research	35 280
The Hiser Group Pty Limited Accessibility and Usability Research	66 956
The Hiser Group Pty Limited Accessibility and Usability Research	59 462
Total for market research	266 257
<b>Direct mail organisations</b>	<b>\$</b>
Total for direct mail organisations	0
<b>Media Advertising</b>	<b>\$</b>
Non-campaign advertising	812 318
Universal McCann	146 217
Campaign advertising	
Total for media advertising	958 535
<b>Total</b>	<b>\$1 224 792</b>

## Appendix 11—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.

Achievements during 2004–05 include:

- inclusion of energy saving features for tenant light and power in all office fit-outs in Australia
- initiation of cardboard recycling in the ACT and some state and territory offices
- implementation of streamed recycling at departmental locations in Victoria
- revision and addition of content on environmental issues to the department's internal website
- receipt in November 2004 of a 'Best Practice in Government Award' from the ACT Government for the department's recycling practices in the ACT.

The following table outlines the department's energy performance:

MJ/pp/pa = Megajoules per person per annum

MJ/m<sup>2</sup>/pa = Megajoules per square metre per annum

Financial Year	Building Tenant Light & Power	
	MJ/pp/pa (Target of 10 000 expected to be met by 2002–03)	MJ/m <sup>2</sup> /pa (No Target Set)
2000–01	9 932	528
2001–02	9 849	467
2002–03	8 359	429
2003–04	5 759	287
2004–05*	8 043	367

\* While the energy consumption in the department has been decreasing as a result of energy saving measures, the 2004–05 figures are higher due to the addition of the OIPC to the department's Portfolio during this period.



### Migration and the environment

State Specific Migration Mechanisms (SSMMs) help state and territory governments avoid increased population and environmental pressures in areas they choose. Conversely, they assist state and territory governments to address skill shortages and population needs that may exist in regional and low growth areas of Australia. These mechanisms are experiencing significant success with increasing numbers of migrants settling in areas outside of Sydney, Newcastle, Wollongong, Brisbane, the Gold Coast and Perth. These numbers greatly increased in 2004–05.

## Appendix 12—Consultancies

Consultancy services let during 2004–05, of \$10 000 or more

Consultant name	Description	Contract price	Selection process*	Justification*
Refugee Council of Australia	Contract between Commonwealth of Australia and Refugee Council of Australia	\$44 000	Direct Sourcing	B
Altmore International Pty Ltd	Facilitation of ICC Managers Training Workshop 2–6 August 2004	\$22 000	Direct Sourcing	C
M.I. Murren Enterprises Pty Ltd	Facilitation of ICC Staff Training Workshops	\$25 000	Direct Sourcing	C
Australian Government Solicitor Canberra	Provision of client counsel for agency and portfolio ministers	\$262 000	Panel	B
Altmore International Pty Ltd	Facilitation of ICC Managers Training Workshop 30 September – 1 October 2004	\$44 000	Direct Sourcing	C
Peoplebank Australia Pty Ltd	Project Management for ORAC IT	\$49 500	Direct Sourcing	B
Peoplebank Australia Pty Ltd	Project Management for ORAC website rebuild	\$35 000	Select Tender	B
Pickard Associates Chartered Accountant	Undertake s60 examinations on Aboriginal Corporations	\$12 615	Select Tender	B
TressCox Lawyers	Establishment of Register of Consultants	\$281 861	Open Tender	B
Pickards Associates Accountants	Undertake s60 examinations on Aboriginal Corporations	\$15 400	Select Tender	B
Hall Chadwick (SA) Pty Ltd—Chartered Accountants	Undertake s60 examinations on Aboriginal Corporations	\$24 200	Select Tender	B

Consultant name	Description	Contract price	Selection process*	Justification*
Pat Faget Consulting Pty Ltd	PFA tasks associated with Native Title Program	\$20 000	Direct Sourcing	A
Scolari Comerford Accountants	Undertake s60 examinations on Aboriginal Corporations	\$14 300	Select Tender	B
Korda Mentha Accountants	Undertake s60 examinations on Aboriginal Corporations	\$10 450	Select Tender	B
The Australian National University (CAEPR)	Advice and assistance to support planning forums	\$33 000	Direct Sourcing	B
Jackie Huggins	Expert advice, mentoring for the Indigenous Women's Development Program	\$30 000	Direct Sourcing	B
Deborah Durnan	Planning and development of introductory workshop for remote delivery	\$49 500	Direct Sourcing	B
Peoplebank Australia Pty Ltd	Project management for IT security audit	\$87 000	Direct Sourcing	B
Acumen Alliance ACT Pty Ltd	Inspection and Audit of the Accounts and Records of the Cape York Land Council Aboriginal Corporation	\$54 615	Panel	B
Corrs Chambers Westgarth	Investigation and report on Native Title representative body	\$121 450	Select Tender	A
F1 Solutions Pty Ltd	Migration of Case Management System to ASP.Net	\$29 400	Direct Sourcing	B
Gregory Cecil Marks trading as Greg Marks Consultant	Legal and Policy advice on Native Title representative bodies	\$40 000	Direct Sourcing	B
David Jess and Associates	Advice on ATSIC Board decisions	\$14 850	Direct Sourcing	B

Consultant name	Description	Contract price	Selection process*	Justification*
People and Strategy Pty Ltd	2005 OIPC Graduate Development Program	\$79 851	Direct Sourcing	B
People and Strategy Pty Ltd	2005 OIPC Graduate Recruitment and Assessment Process	\$25 795	Direct Sourcing	B
Duus Pty Ltd	Funding Controller to the Cape York Land Council Aboriginal Corporation	\$75 000	Direct Sourcing	C
Anthropos Consulting Services Pty Ltd	Legal and Policy advice	\$79 500	Direct Sourcing	B
Learn 2 Lead	Contract for Services in relation to Men & Family Relationships Forum 2005	\$18 799	Direct Sourcing	A
Dodson, Bauman & Associates Pty Ltd	Contract for Services in relation to Men & Family Relationships Forum 2005	\$11 000	Direct Sourcing	A
M.I.Murren Enterprises Pty Ltd	Phase One—Development of Program and Material for the Indigenous Women's Leadership Program	\$29 700	Direct Sourcing	B
M.I.Murren Enterprises Pty Ltd	Phase Two—Delivery of training for the Indigenous Women's Development Program	\$31 460	Direct Sourcing	C
Acumen Alliance Pty Ltd	Review of Costing of Common Service Agreement between Agencies	\$33 000	Panel	C
RPR Consulting	Review of the Indigenous Women's Program	\$71 390	Direct Sourcing	B
Alexander J Dodd & Assoc	Provide change management support to NTRB's	\$200 000	Direct Sourcing	A
Senator Brennan Rashid	Support Services to Native Title and Land Rights Branch	\$750 000	Select Tender	A

Consultant name	Description	Contract price	Selection process*	Justification*
IMRE Consulting & Development Pty Ltd	Professional Services— Change Management, Cape York Land Council AC	\$24 200	Direct Sourcing	C
Commonwealth of Australia & Others	Centre for Aboriginal Economic Policy Research	\$880 000	Direct Sourcing	B
KPMG Corporate Finance (Aust) Pty Ltd	Viability assessment of Trans Territory Pipeline (TTP)	\$85 000	Open Tender	B
CSC Strategic Alliance Pty Ld	Architecture Review	\$114 400	Direct Sourcing	B
The Hiser Group Pty Ltd	Web Site Support Services	\$16 330	Open Tender	B
CSC Strategic Alliance Pty Ld	Disaster Recovery Project	\$100 100	Open Tender	B
CSC Strategic Alliance Pty Ld	Disaster Recovery Project	\$522 753	Open Tender	B
Alliance Consulting Group	Develop a sourcing strategy for IT Professional Services	\$14 960	Panel	B
Oakton Services Pty Ltd	Project Officer for IT support on IMIRS data warehouse	\$55 000	Direct Sourcing	B
The Hiser Group	Web Site Support Services	\$43 240	Select Tender	B
XTEK Consulting Services Pty Ltd	Services for Security Advising	\$78 650	Direct Sourcing	B
Business Objects Pty Ltd	Installation, configuration & implementation of Software	\$19 800	Direct Sourcing	B
APIS Consulting Group	Consultancy Services	\$22 000	Panel	B
CSC Strategic Alliance Pty Ld	Global Systems Environment (GSE) Business Analyst Support Services	\$137 500	Direct Sourcing	A

Consultant name	Description	Contract price	Selection process*	Justification*
CSC Strategic Alliance Pty Ltd	GSE Services & Integration Support Services	\$264 000	Direct Sourcing	A
CSC Strategic Alliance Pty Ltd	GSE Program Office Services	\$159 500	Direct Sourcing	A
CSC Strategic Alliance Pty Ltd	GSE Research & Acquisition Support Services	\$88 000	Direct Sourcing	B
CSC Strategic Alliance Pty Ltd	DIMIA IT Disaster Recovery Project Physical Technical Model Phase	\$617 520	Open Tender	B
Gartner Australasia Pty Ltd	Review of GSE Report	\$18 000	Direct Sourcing	B
Alliance Consulting Group Pty Ltd	Business advice on impact of web content management system	\$15 000	Panel	B
Alliance Consulting Group Pty Ltd	Business advice on impact of web content management system	\$753 300	Panel	B
Alliance Consulting Group Pty Ltd	Advice and assistance on industrial development issues in contracts	\$20 000	Panel	B
CSIRO	Panoptic Software	\$25 000	Direct Sourcing	A
Walter Turnbull Pty Ltd	Value for money assessment on single service desk proposal	\$21 615	Panel	B
Cogent Consultancy	Assessment of disaster recover proposal	\$12 640	Panel	A
Acumen Alliance (ACT) Pty Ltd	Probity Advisor	\$20 000	Panel	B
Gartner Australasia Pty Ltd	Review of tender documentation relating to development of a Reference Data User Interface (ICSE)	\$37 840	Direct Sourcing	B

Consultant name	Description	Contract price	Selection process*	Justification*
APIS Consulting Group Pty Ltd	Evaluation on proposal to extend office services contract and development of pricing selection criteria	\$44 000	Panel	B
ITNewcom Pty Ltd	IT Disaster Recovery	\$38 500	Select Tender	B
Alliance Consulting Group Pty Ltd	Assistance and advice on evaluation on return to market for provision of office services	\$44 000	Panel	B
Walter Turnbull Pty Ltd	Probity Auditor	\$35 000	Panel	B
Acumen Alliance (ACT) Pty Ltd	Develop probity plans and input and advice on tender process	\$140 000	Panel	B
Acumen Alliance Pty Ltd	Probity Adviser	\$30 000	Panel	B
CSC Strategic Alliance	GSE Project—Financial Architect Services	\$41 580	Open Tender	B
CSC Strategic Alliance Pty Ltd	Regional Movement Alert List (RMAL) Pilot Project Architecture Support	\$106 865	Open Tender	B
CSC Strategic Alliance Pty Ltd	GSE Support & Analysis	\$110 000	Open Tender	B
CSC Strategic Alliance Pty Ltd	Project Management	\$82 500	Open Tender	B
XTEK Consulting Services Pty Ltd	Services for Security Advising—completion of Protective Security Risk Reviews & Security Audits	\$55 000	Direct Sourcing	B
Siemens Communication (International)	Provision of consultancy services for handling telephone enquiries in Europe	\$158 976	Select Tender	B
The Hiser Group Pty Limited	Web Site Support Services	\$35 280	Panel	B

Consultant name	Description	Contract price	Selection process*	Justification*
Interiors Australia Pty Limited	Project Management	\$20 500	Select Tender	B
The Hiser Group Pty Limited	Web Site Support Services	\$61 760	Direct Sourcing	B
The Hiser Group Pty Limited	Web Site Support Services	\$52 350	Direct Sourcing	B
Murray Neil Comrie	Services related to the conduct of an inquiry into the immigration detention of Cornelia Rau and other cases as identified.	\$767 500	Direct Sourcing	B
Mr Mick Palmer AO APM	Services related to the conduct of an inquiry into the immigration detention of Cornelia Rau	\$397 000	Direct Sourcing	B
Arrow International Pty Ltd	Project Management and Design Services	\$551 227	Open Tender	A
AC Nielsen Pty Ltd	Long Form Survey of individuals granted permanent residence	\$115 000	Direct Sourcing	A
Centre for Population and Urban Research, Monash University	A Study of International Students	\$47 850	Direct Engagement	A
Blake Dawson Waldron	Legal Advice for LEGENDcom T&C	\$22 001	Panel	A
B. Armstrong & Co. Pty Limited	Provision of Technical Services for Energy Management Monitoring	\$25 000	Direct Engagement	A
The Australian Government Solicitor	Contract for the provision of legal services	\$33 700 000	Open Tender	A
Blake Dawson Waldron	Contract for the provision of legal services	\$12 260 000	Open Tender	A



Consultant name	Description	Contract price	Selection process*	Justification*
Clayton Utz	Contract for the provision of legal services	\$36 260 000	Open Tender	A
Phillips Fox	Contract for the provision of legal services	\$18 520 000	Open Tender	A
Sparke Helmore	Contract for the provision of legal services	\$21 860 000	Open Tender	A
STF Associates	HR consultancy and funding admin assistance	\$63 800	Direct engagement	B
Kavanagh Consulting	Develop a Shared Responsibility Agreement with NYP Women's Council	\$11 000	Select Tender	B
The Australian Government Solicitor	Legal Advice for Tender	\$37 000	Panel	A

\* The meaning of 'Selection Process' and 'Justification' in the above table is further explained below:

1. Explanation of selection process terms drawn from the Commonwealth Procurement Guidelines (January 2005)

Open Tender: A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders.

Select Tender: A procurement procedure in which the procuring agency selects potential suppliers to submit tenders in accordance with the mandatory procurement procedures.

Direct Sourcing: A procurement process, available only under certain defined circumstances, in which an agency may contact a single potential supplier or suppliers of its choice. Conditions for direct sourcing apply under the mandatory procurement procedures.

Panel: An arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangement).

2. Justification for decision to use consultancy:

- A Involves specialist professional knowledge and/or expertise that may not be maintained in-house
- B Involves development of an intellectual output—example research, evaluation, advice and recommendations—to assist with agency decision
- C Involves a one-off task, a set of tasks or irregular tasks (making employment of permanent staff impractical or undesirable).

## Discretionary grants

Discretionary grants are payments where the Portfolio Minister or paying 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 the department during 2004–05:

- Multicultural Affairs
- Living in Harmony community grants
- Grant to the Federation of Ethnic Communities' Councils of Australia
- Cross portfolio Indigenous flexible funding arrangements
- Community Settlement Services Scheme (CSSS)
- Migrant Resource Centre (MRC)/Migrant Service Agency (MSA) grants
- International Cooperation.

A list of all grant recipients is available from the department on request.

## Correct major errors in previous annual report

There were no major errors in the 2003–04 annual report.

## Acronyms

AAT	Administrative Appeals Tribunal
AAP	Annual Audit Plan
ABA	Aboriginals Benefit Account
ABS	Australian Bureau of Statistics
ACA Act	<i>Aboriginal Councils and Associations Act 1976</i>
ACM	Australasian Correctional Management Pty Ltd
ACS	Australian Customs Service
ADS	Approved Destination Status
ADV	Australian Declaratory Visas
AFP	Australian Federal Police
AGIMIS	Australian Government Indigenous Management Information System
AHL	Aboriginal Hostels Limited
AIATSIS	Australian Institute of Aboriginal and Torres Strait Islander Studies
ALC	Aboriginal Land Commissioner
ALO	Airline Liaison Officer
ALR Act	<i>Aboriginal Land Rights (Northern Territory) Act 1976</i>
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
APP	Advance Passenger Processing
APS	Australian Public Service
APY	Anangu Pitjantjatjara Yankunytjatjara

ARC	Australian Red Cross
ASA	Asylum Seeker Assistance
ASCO	Australian Standard Classification of Occupations
ASEAN	Association of South East Asian Nations
ATIS	Automated Telephone and Interpreting Service
ATNS	Agreements, Treaties and Negotiated Settlements
ATO	Australian Taxation Office
ATSI Act	<i>Aboriginal and Torres Strait Islander Act 2005</i>
ATSIC	Aboriginal and Torres Strait Islander Commission
ATSIC Act	<i>Aboriginal and Torres Strait Islander Commission Act 1989</i>
ATSISS	Aboriginal and Torres Strait Islander Services
AusAID	Australian Agency for International Development
AUSCO	Australian Cultural Orientation (Program)
AWA	Australian Workplace Agreement
BAC	Bawinanga Aboriginal Corporation
BFU	Bona Fide Units
BPP	Business Planning Principles
BVE	Bridging visa E
BVF	Bridging visa F
CAEPR	Centre for Aboriginal Economic Policy Research
CDEP	Community Development Employment Projects
CERS	Certificates of Evidence of Residence Status
CFO	Chief Finance Officer
CGC	Commonwealth Grants Commission
CIC	Communities in Crisis
CIL	Citizen Information Line
CLR	Commonwealth Land Rights
CMA	Council for Multicultural Australia
COAG	Council of Australian Governments
COLD	Community On-Line Database

CPA	Community Participation Agreement
CPP	Community Partners Program
CSC	Computer Sciences Corporation Limited
CSHA	Commonwealth State Housing Agreement
CSR	Community Support for Refugees
CSSS	Community Settlement Services Scheme
CSU	Cluster Support Unit
CSWE	Certificate in Spoken and Written English
C3MO	Cluster 3 Management Office
CTC	Competitive Tendering and Contracting
DAEC	Departmental Audit and Evaluation Committee
DEAN	Document Examination Alert Notice
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
DRC	Detention Review Committee
DSP	Detention Services Provider
EABC	European Australian Business Council
EAG	Evaluation Advisory Group
ECP	Enhanced Cooperation Program
EMR	Expected Movement Record
EOC	Entry Operation Centre
ERIC	Electronic Register of Aboriginal Councils
ESL	English as a Second Language
ESOS Act	<i>Education Services for Overseas Students Act 2000</i>
ETA	Electronic Travel Authority
FaCS	Department of Family and Community Services
FACT	Financial Accountability and Control Tools

FECCA	Federation of Ethnic Communities' Councils of Australia
FMA Act	<i>Fisheries Management Act 1991</i>
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FMC	Federal Magistrates Court
FOI Act	<i>Freedom of Information Act 1982</i>
GPU	Global Processing Unit
GCIM	Global Commission on International Migration
HREOC	Human Rights and Equal Opportunity Commission
HRMIS	Human Resource Management Information System
HSR	Health and Safety Representatives
IAP	Internal Audit Program
IBA	Indigenous Business Australia
ICCs	Indigenous Coordination Centres
ICCT	Indigenous Communities Coordination Taskforce
ICMC	International Catholic Migration Committee
ICT	Information and Communication Technology
ICTY	International Criminal Tribunal for the Former Yugoslavia
IDAG	Immigration Detention Advisory Group
IDC	Immigration Detention Centre
IDCU	Identity Checking Unit
IDF	Immigration Detention Facility
IDS	Immigration Detention Standards
IECN	International Events Coordination Network
IELTS	International English Language Testing System
IFaMP	Indigenous Facilitation and Mediation Project
IGC	Inter-Governmental Consultations
IGOC Act	<i>Immigration (Guardianship of Children) Act 1946</i>
IHSS	Integrated Humanitarian Settlement Strategy
ILC	Indigenous Land Corporation
ILUAs	Indigenous Land Use Agreements

IOM	International Organization for Migration
IPSLR	International Second Language Proficiency Rating Scale
IRPC	Immigration Reception and Processing Centre
ISCP	International Second Language Proficiency Rating
ISIS	Immigration Services Information System
ISR	Identity Service Repository
ISS	International Social Services
IT	Information Technology
IVRU	Interactive Voice Response Unit
IWP	Indigenous Women's Program
JBT Act	<i>Aboriginal Land Grant (Jervis Bay Territory) Act 1986</i>
JCPAA	Joint Committee of Public Accounts and Audit
KPI	Key Performance Indicators
LCF Act	<i>Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987</i>
LGA	Local Government Area
LSIA	Longitudinal Survey of Immigrants to Australia
LSIC	Longitudinal Survey of Immigrants to Canada
LTDS	Long Term Detention Strategy
MAL	Movement Alert List
MARA	Migration Agents Registration Authority
MATF	Migration Agents Taskforce
MB	Management Board
MCATSIA	Ministerial Council on Aboriginal and Torres Strait Islander Affairs
MIA	Migration Institute of Australia
MMO	Movement Monitoring Officer
MODL	Migration Occupations in Demand List
MOU	Memorandum of Understanding
MRC	Migrant Resource Centre
MRT	Migration Review Tribunal
MSA	Migrant Service Agencies



MTF	Ministerial Taskforce on Indigenous Affairs
MWT	Mining Withholding Tax
NAATI	National Accreditation Authority for Translators and Interpreters
NAC	National Appointment Centre
NAIDOC	National Aborigines and Islanders Day Observance Committee
NCA	National Capital Authority
NGO	Non-government Organisation
NIC	National Indigenous Council
NISS	National Integrated Settlement Strategy
NIVA	National Identity Verification & Advice
NMA	National Museum of Australia
NNTT	National Native Title Tribunal
NPYWC	Ngaanyitjarra Pitantjatjarra Yankunytjatjarra Womens Council
NSCF	National Staff Consultative Forum
NTRB	Native Title Representative Bodies
NTRU	Native Title Research Unit
OASC	Overseas Audit & Security Check
OATSIA	Office of Aboriginal and Torres Strait Islander Affairs
OCHA	Office of the Coordinator of Humanitarian Affairs
OEA	Office of Evaluation and Audit
OH&S	Occupational Health and Safety
OIPC	Office of Indigenous Policy Coordination
OPA	Office Public Account
OPC	Offshore Processing Centre
ORAC	Office of the Registrar of Aboriginal Corporations
PAL	Performance and Learning Scheme
PBS	Portfolio Budget Statements
PDI	Public Debt Interest
PDV	Professional Development Visa
PFA	Program Funding Agreement

PIDC	Pacific Immigration Directors Conference
PNG	Papua New Guinea
POPC	Perth Offshore Parents Centre
PPV	Permanent Protection Visa
PRC	People's Republic of China
PTW	Permission to Work (Visa)
PV	Protection Visa
PWC	Public Works Committee
QCC	Quality Control Codes
QSRB	Queensland South Representative Body
RBS	Royal Blind Society
RCA	Regional Cooperation Arrangements
RFT	Request for Tender
RHP	Residential Housing Project
RMAL	Regional Movement Alert List
ROS	Resolution of Status
RPAs	Regional Partnership Agreements
RPV	Return Pending Visa
RRAC	Refugee Resettlement Advisory Council
RRT	Refugee Review Tribunal
RRV	Resident Return Visa
RTO	Registered Training Organisation
SARS	Severe Acute Respiratory Syndrome
SBD	Settlement Data Base
SDASS	Skilled Designated Area Sponsored Scheme
SEARCC	South East Asian Regional Centre for Counter Terrorism
SES	Senior Executive Service
SGP	Settlement Grants Program
SGV	Student Graduation Visa
SHP	Special Humanitarian Program

SIR	Skilled Independent Regional
SLA	Service Level Agreement
SOM	Senior Officials Meeting
SPC	Settlement Planning Committees
SPCRP	Strategic Priority Claims Resolution Program
SPP	Special Preparatory Program
SRAs	Shared Responsibility Agreements
SRF	Settlement Reporting Facility
SSMM	State Specific Migration Mechanism
TAFE	Technical and Further Education
THV	Temporary Humanitarian Visa
TIS	Translating and Interpreting Service
TKP	Tjungungku Kuranyukutu Palyantjaku
TPV	Temporary Protection Visa
TSFA Act	<i>Torres Strait Fisheries Act 1984</i>
TSRA	Torres Strait Regional Authority
TVAG	Tourism and Visa Advisory Group
UHM	Unaccompanied Humanitarian Minor
UK	United Kingdom
UN	United Nations
UNESCO	United Nations Education Scientific & Cultural Organisation
UNHCR	United Nations High Commissioner for Refugees
VITS	Victorian Interpreting & Translating Service
WAHAC	West Aranda Health Aboriginal Corporation
WBACC	Wreck Bay Aboriginal Community Council
WCSU	War Crimes Screening Unit
WHM	Working Holiday Makers

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