



Australian Government
Department of Home Affairs

ANNUAL REPORT 2018–19

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THE HOME AFFAIRS PORTFOLIO

The Portfolio structure 30 June 2019

- **The Department of Home Affairs**
Secretary: Michael Pezzullo
- **The Australian Border Force**
Commissioner: Michael Outram APM
- **The Australian Transaction Reports and Analysis Centre**
Chief Executive Officer: Nicole Rose PSM
- **The Australian Security Intelligence Organisation**
Director General of Security: Duncan Lewis AO DSC CSC
- **The Australian Federal Police**
Commissioner: Andrew Colvin APM OAM
- **The Australian Criminal Intelligence Commission**
Includes the Australian Institute of Criminology
Chief Executive Officer: Michael Phelan APM

THE DEPARTMENT OF HOME AFFAIRS AND AUSTRALIAN BORDER FORCE

Prosperous: Through our unique capabilities, powers and activities we contribute to Australia's prosperity by enabling a globally connected and open economy.

Secure: Together we will protect Australia and Australians from key national security and criminal threats.

United: We celebrate Australia's multicultural society and safeguard Australia's democracy by building community resilience and engendering respect for Australia's shared values and institutions.

Vision

A secure Australia that is prosperous, open and united.

Mission

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

Role and functions

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

The Australian Border Force (ABF) as an operationally independent body is responsible for implementing Australia's border enforcement policies, managing frontline border law enforcement and customs activities to protect the integrity of Australia's borders. The ABF facilitates movements of legitimate trade and travel across Australia's borders.

Authority

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

Operating environment

As a global organisation, the Department and the ABF bring together 14,055 staff based in Australia and across 114 primary locations around the world.

Strategy

Throughout 2018–19, the Department and the ABF aligned its work to three key strategy documents: *Department of Home Affairs Corporate Plan 2018–19*, *Blueprint for Home Affairs* and *ABF Realising Our Full Potential*.

READER'S GUIDE

This is the annual report from the Secretary of the Department of Home Affairs and the Commissioner of the ABF to the Minister for Home Affairs for the financial year ending 30 June 2019.

The report has been prepared in accordance with the Department of Finance's *Resource Management Guide No. 135—Annual report for non-corporate Commonwealth entities*, issued in May 2019. The report accurately presents the Department's and ABF's performance for 2018–19.

Report structure

Part 1: Overview

Part 1 contains a review of the financial year by the Secretary of the Department and the Commissioner of the ABF. It demonstrates outcomes delivered throughout 2018–19 and highlights key developments, achievements and environmental pressures.

Part 2: Annual performance statement

Part 2 supports the *Enhanced Commonwealth Performance Framework* by summarising the Department's performance as set out in the *Department of Home Affairs Corporate Plan 2018–19* and *Portfolio Budget Statements 2018–19*. It also acquits performance against the *Portfolio Additional Estimates Statements 2018–19*.

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

Parts 3 and 4 contain discussion and analysis of the Department's financial performance, including the audited financial statements and a report by the Auditor-General.

Part 5: Management and accountability

Part 5 summarises the Department's financial disclosures as required by the *Public Governance, Performance and Accountability Act 2013* and encompasses the governance framework, fraud and risk management arrangements, human resources, procurement initiatives and purchasing practices. Part 5 also includes relevant information on external scrutiny, workforce planning, workplace health and safety, client services, advertising and market research, ecologically sustainable development and environmental performance, and grants programs.

Part 6: Appendices

Part 6 provides supplementary information, including the years-at-a-glance statistical table, material errors from the *2017–18 Annual Report*, tables relating to the report on financial performance, and information on legal services expenditure.

Part 7: Reference material

Part 7 contains the abbreviations, glossary of key terms, alphabetical index and the compliance index which includes the list of requirements under the *Public Governance, Performance and Accountability Rule 2014*.

LETTER OF TRANSMITTAL



Australian Government
Department of Home Affairs

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

The Hon David Littleproud MP
Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management
Parliament House
Canberra Act 2600

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

Dear Ministers,

I am pleased to present the *Department of Home Affairs Annual Report 2018–19* for the reporting period ending 30 June 2019, as is required by subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013*.

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

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

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

Your sincerely

A handwritten signature in black ink, appearing to read 'M. Pezzullo'.

Michael Pezzullo
Secretary, Department of Home Affairs

LETTER OF ENDORSEMENT



**Australian
BORDER FORCE**

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

The Hon David Littleproud MP
Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management
Parliament House
Canberra Act 2600

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

Dear Ministers,

I am pleased to endorse the *Department of Home Affairs Annual Report 2018–19* for the reporting period ending 30 June 2019, as an appropriate and accurate representation of the Australian Border Force's contribution to the performance of the Department of Home Affairs.

As an independent statutory officer with operational control of Australian Border Force, I have supported the Secretary of the Department of Home Affairs in complying with the requirements of section 10 of the Public Governance, Performance and Accountability Rule 2014 relating to fraud and corruption. Within the Australian Border Force, we continue to implement fraud prevention, detection, investigation, reporting and data collection procedures and processes in place that align with the requirements of the *Commonwealth Fraud Control Framework 2017*.

I commend to you the *Department of Home Affairs Annual Report 2018–19*.

Your sincerely

A handwritten signature in black ink, appearing to read 'M. Outram'.

Michael Outram, APM
Commissioner, Australian Border Force

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OVERVIEW

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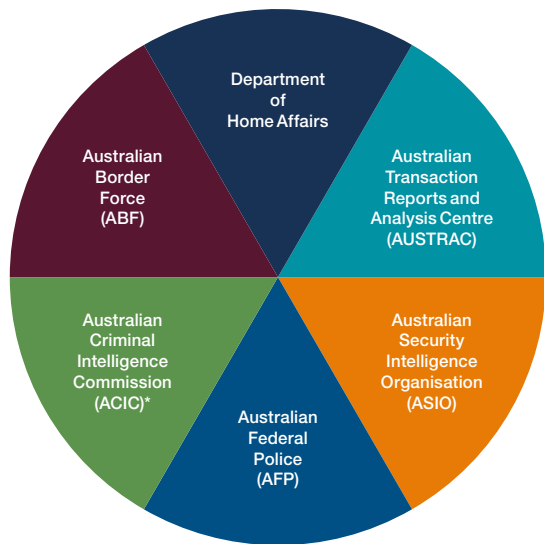
ABOUT THE PORTFOLIO

The Home Affairs Portfolio integrates Australia's federal law enforcement, national and transport security, criminal justice, emergency management, multicultural affairs and immigration and border-related functions, to strengthen the strategic policy, planning and coordination that support our operations.

The Portfolio brings together the strengths of individual agencies and continues to coordinate and drive efforts to create a safe, secure, prosperous and united Australia through close cooperation and sustained joint activity. It continues to combat threats to national security. Through modernising trade and travel, the Portfolio contributes to Australia's prosperity and ensures Australia remains economically competitive in an increasingly complex environment.

The Portfolio is structured to maintain and protect the statutory independence of Portfolio agencies, while ensuring that external accountability and oversight arrangements are retained, and departmental and agency powers are exercised consistently and lawfully.

Independent entities under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) produce individual annual reports. This includes the Australian Criminal Intelligence Commission, the Australian Security and Intelligence Organisation, the Australian Federal Police and the Australian Transaction Reports and Analysis Centre. The Australian Border Force's performance for 2018–19 is acquitted within the *Department of Home Affairs Annual Report 2018–19*.



*ACIC includes the Australian Institute of Criminology.

Figure 1: The Home Affairs Portfolio

Ministerial responsibilities from 1 July 2018–30 June 2019

At the start of the reporting year:

- The Hon Peter Dutton MP was Minister for Home Affairs and the Minister for Immigration and Border Protection
- The Hon Alan Tudge MP was the Minister for Citizenship and Multicultural Affairs
- The Hon Angus Taylor MP was Minister for Law Enforcement and Cyber Security
- The Hon Alex Hawke MP was the Assistant Minister for Home Affairs.

Changes in ministerial responsibilities during the reporting period

On 27 August 2018, The Hon Peter Dutton MP was sworn in as the Minister for Home Affairs and The Hon David Coleman MP as the Minister for Immigration, Citizenship and Multicultural Affairs. Senator The Hon Linda Reynolds CSC served as the Assistant Minister for Home Affairs from 27 August 2018 to 2 March 2019, and as Minister for Emergency Management and North Queensland Recovery from 2 March 2019 to 29 May 2019.

On 29 May 2019, the second Morrison Ministry was announced, with The Hon Peter Dutton MP continuing as the Minister for Home Affairs. Also:

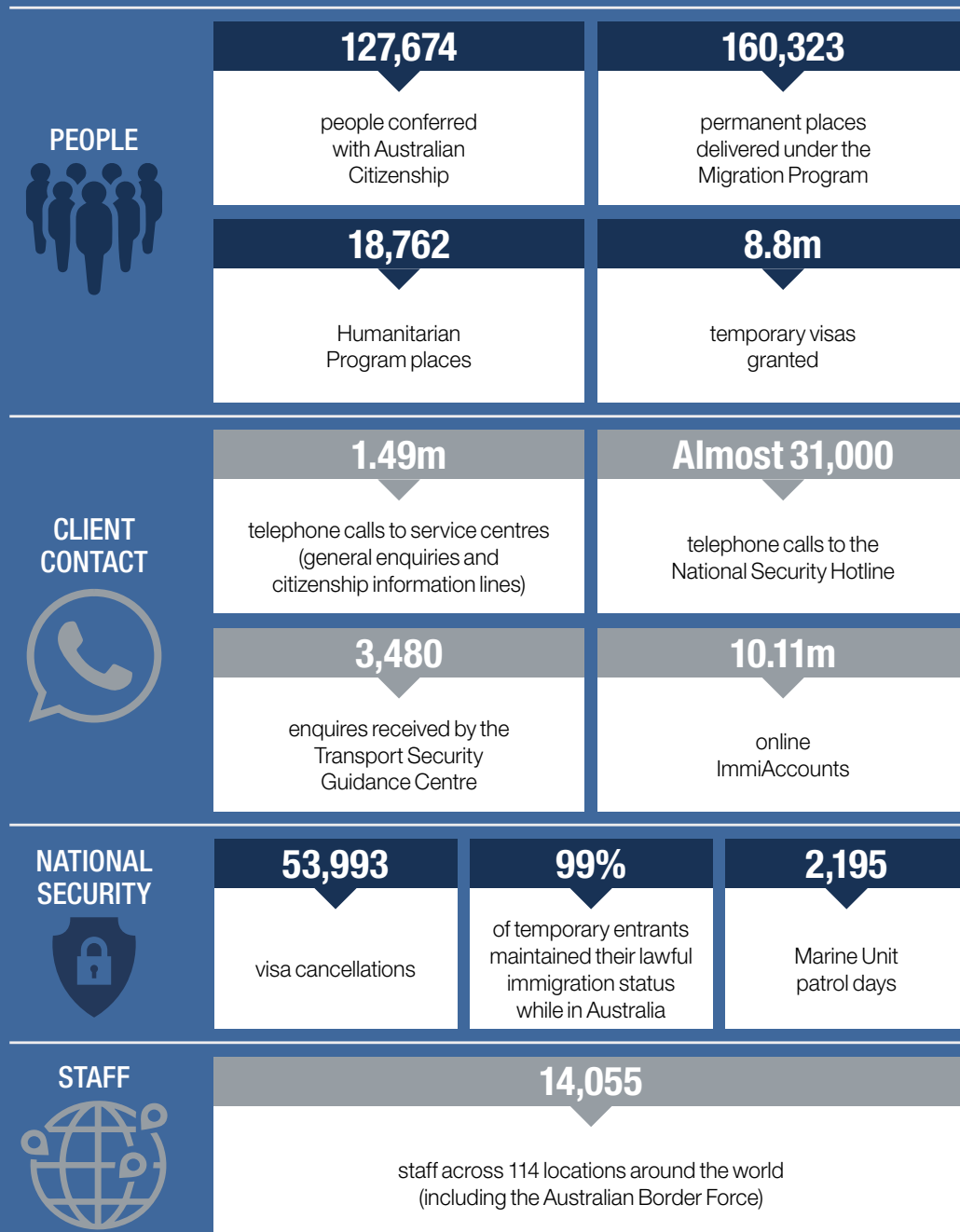
- The Hon David Littleproud MP was sworn in as the Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management
- The Hon David Coleman MP was sworn in as the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs
- The Hon Jason Wood was sworn in as the Assistant Minister for Customs, Community Safety and Multicultural Affairs.

About the Department

The Department is responsible for centrally coordinated strategy and policy leadership in relation to immigration, citizenship and multicultural affairs, domestic and national security arrangements, law enforcement, emergency management, counter-terrorism, social cohesion, the protection of our sovereignty, the integrity of Australia's borders and the resilience of its national infrastructure. Through our Commonwealth Coordinators, the Department enables rapid responses to threats of foreign interference, terror and organised crime. Our operations keep Australia open for business and contribute to Australia's prosperity. We also deliver the migration program and assist temporary and permanent migrants and those participating in humanitarian and refugee programs. We also manage and confer citizenship through the Australian Citizenship Program.

The Department at a glance

Figure 2: The Department at a glance



Organisational structure

The Department’s organisational structure at 30 June 2019 is shown in Table 1 below:

Table 1: Department organisational structure

GROUPS				
Executive	Policy	Corporate and Enabling	Infrastructure, Transport Security and Customs	Immigration and Citizenship Services
Lead the development of strategy and capability planning and shaped enterprise strategy and cultural direction.	Provide comprehensive policy and planning development at strategic and operational levels.	Provide integrated support services that allow the Department and the ABF to function effectively, including specialised corporate, people, finance, and legal advice and assistance.	Deliver key security, emergency management, border facilitation and revenue programs with industry, state and territory partners.	Deliver citizenship, temporary and permanent migration programs and manage the refugee and humanitarian program.

COMMONWEALTH COORDINATORS			GROUP MANAGER
Counter-terrorism	Transnational serious and organised crime	Counter foreign interference	Technology and Major Capability
Lead counter-terrorism policy and coordination across the Australian Government. Coordinate national capability through the Australian-New Zealand Counter-Terrorism Committee.	Lead the development of an effective, efficient and holistic national response to transnational and serious and organised crime.	Develop a national response to counter foreign interference that seeks to protect Australia’s sovereignty, values and national interests by increasing the cost and reducing the benefit of foreign interference to foreign actors.	Provide the Department’s intelligence services, builds and integrates capability services, runs information and communications technology and delivers identity and biometrics services.

The Executive team

As at 30 June 2019



Michael Pezzullo

Secretary of the Department of Home Affairs

Michael is responsible for providing leadership and strategic direction to the Department, and is the principal official policy adviser to the Portfolio's Ministers on issues related to immigration, citizenship and multicultural affairs, domestic and national security arrangements, law enforcement, emergency management, counter-terrorism, social cohesion, the protection of Australia's sovereignty, the integrity of its borders and the resilience of its national infrastructure. Michael also has overall accountability to manage both risk and performance as the Accountable Authority for the Department of Home Affairs and the Australian Border Force. As Secretary of the Home Affairs Portfolio, in collaboration with the heads of Portfolio agencies, Michael ensures that the Portfolio delivers effective outcomes for the Australian Government, the community and our partners.



Rachel Noble PSM

Deputy Secretary Executive Group

Rachel is responsible for developing and driving enterprise strategy, risk and assurance frameworks and monitoring enterprise performance. Rachel is also responsible for delivering: strategic research and communication services; integrity, security and assurance; and ministerial, media and intelligence services. Rachel also provides integrated coordination and support to the Executive.



Marc Ablong PSM

Deputy Secretary Policy Group

Marc is responsible for the Department's strategy and capability, and its comprehensive policy capability, including national security, law enforcement, international policy, and cyber security policy.



Cheryl-anne Moy

Deputy Secretary Corporate and Enabling and Chief Operating Officer

Cheryl-anne is responsible for delivering strategic and tactical corporate capabilities to the Department and the ABF.



Paul Grigson

Deputy Secretary Infrastructure, Transport Security and Customs Group

Paul is responsible for security to Australia's critical infrastructure and in the aviation and maritime sectors, building national identity and biometrics capabilities, and leading the Australian Government's efforts in emergency preparedness, response and recovery.



Malisa Golightly PSM

Deputy Secretary Immigration and Citizenship Services Group

Malisa is responsible for visa and citizenship programs, including service delivery and decision making spanning the visa and citizenship life-cycle, from pre-lodgement, application, visa grant or refusal, visa cancellation, and conferral and revocation of citizenship. Malisa is also responsible for the administration of the Refugee and Humanitarian Assistance Program and the Department's visa delivery transformation.



Michael Milford

Group Manager Technology and Major Capability

Michael is responsible for the end-to-end delivery, operation and support of the information technology environment and ABF operational capabilities. Michael is also responsible for the major capability development program. Michael reports to the Secretary of the Department of Home Affairs.



Linda Geddes

Commonwealth Counter-Terrorism Coordinator (replacing Tony Sheehan who left the Department in September 2018)

Linda is responsible for coordinating Australia's counter-terrorism arrangements for the Prime Minister and the Minister for Home Affairs. In this role, Linda works in close partnership with Australian and state and territory agencies.



Karl Kent OAM

Australian Federal Police Deputy Commissioner and Commonwealth Transnational Serious and Organised Crime Coordinator

Karl is responsible for coordinating national strategy, capability and policy in combating Transnational Serious and Organised Crime through the delivery and implementation of the new *National Strategy to Fight Transnational, Serious and Organised Crime*.



Chris Teal

National Counter Foreign Interference Coordinator

Chris is responsible for delivering an effective, efficient and consistent national response to foreign interference by providing a focal point for coordinating policy and program development and leading on engagement across government, business and academia.

Changes to the Executive Team

The following changes in Department of Home Affairs leadership occurred during 2018–19.

- Marc Ablong PSM was appointed to Deputy Secretary Policy Group. Before this, Marc was First Assistant Secretary Strategy and Capability, Department of Home Affairs, on secondment from the Department of Defence.
- Michael Milford AM was appointed to the newly established position of Group Manager of Technology and Major Capability Group. Before this, Michael was Chief Information Officer.
- Linda Geddes was appointed to Commonwealth Counter-Terrorism Coordinator. Before this, Linda was Deputy Secretary Policy Group.
- Maria Fernandez PSM finished the position of Deputy Secretary Intelligence and Capability Group in April 2019.
- Tony Sheehan, was Commonwealth Counter-Terrorism Coordinator. He left the Department to fill the position of Deputy Secretary International Security, Humanitarian and Consular Group, Department of Foreign Affairs and Trade.
- Alastair MacGibbon was National Cyber Security Advisor. He left the Department for a role in the private sector.

SECRETARY'S REVIEW

In 2018–19, the Department of Home Affairs continued to contribute towards Australia's prosperity, national security and unity. We delivered services that the public relies on, such as Australia's Migration Program and responses to natural disasters; we persisted in modernising to support Australian businesses and travellers; and we improved strategy, planning and coordination of domestic security and law enforcement to better protect Australians, our national infrastructure and our democratic institutions.

Our performance

Our administration of Australia's Migration Program saw the Department deliver 160,323 permanent places, including 109,713 in the Skill stream. We received a record 9.6 million temporary and permanent visa applications and, testimony to our productivity, granted 8.8 million temporary visas. Our focus on integrity saw 377,469 temporary and permanent (non-humanitarian) visas refused—an increase of 22 per cent on 2017–18—while 943 people had their visas cancelled on character grounds. We maintained Australia's commitment to resettling refugees, granting 18,762 Humanitarian visas.

The Department approved more than 160,000 citizenship applications—a 64.2 per cent increase on the previous year. This included more than 145,000 conferral applications, an 80 per cent increase compared to 2017–18. On Australia Day, more than 15,000 people became Australian citizens as part of the 70th anniversary of Australian citizenship being effected in law. In total, 127,674 people acquired citizenship via conferral in 2018–19—a 58.3 per cent increase on the previous year.

The Government's announcement of a \$71 million social cohesion package in March saw the Department's Regional Director and Community Liaison Officer network collaborate with cultural, religious and ethnic communities around the country on new integration initiatives and local programs designed to bring all Australians closer together.

In 2018–19, the Department coordinated national responses to natural disasters, including supporting Australians affected by the January 2019 floods in North and Far North Queensland and February 2019 bushfires in Northern New South Wales and Tasmania.

The Department continued to deliver counter-terrorism support to our partners, including across jurisdictions, to strengthen whole-of-government coordination and awareness, as well as prevention and response capabilities. Our efforts included the coordination of whole-of-government responses to the Bourke St and Christchurch terrorist attacks on

9 November 2018 and 15 March 2019 respectively. Our countering violent extremism efforts saw sustained engagement with digital industry to address online misuse, including the expeditious removal of abhorrent violent material. The passing of the *Telecommunications and Other Legislation Amendment (Assistance and Access) Act 2018* in December has ensured our law enforcement and national security agencies have modern investigative tools to better protect Australians in the digital age.

To support cyber security across all levels of government, the Department worked with the states and territories to develop Australia's first *Cyber Incident Management Arrangements*. Significantly, in December 2018, Australia made its first public attribution of malicious cyber activity to China's Ministry of State Security. This announcement—resulting from collaboration between the Department of Home Affairs, Department of Foreign Affairs and Trade and the Australian Signals Directorate—has raised awareness of cyber threats, prompting new engagement between the public and private sectors to improve cyber security practices.

Through the Office of the National Counter Foreign Interference Coordinator, the Department developed a strategy to help protect Australia's sovereignty, values and interests from foreign interference. We established cross-jurisdictional and international partnerships to raise awareness of the strategy and coordinate responses to the pernicious issue of foreign interference. The strategy focuses on building resilience across at-risk sectors of society from foreign interference, whatever its source.

With the *Security of Critical Infrastructure Act 2018* taking effect in July 2018, the Department undertook consultations with industry and all levels of government to support legislative awareness and compliance. In 2018–19, the Department also implemented reforms to strengthen the security of the telecommunications sector. Such endeavours will help protect our nation's key assets, providing greater visibility of foreign ownership and control.

Under the *2018–19 Aviation and Maritime Security National Compliance Plan*, more than 1500 scheduled activities contributed to the prevention of transport security incidents in the aviation, maritime and offshore oil and gas sectors.

The Commonwealth Transnational Serious and Organised Crime Coordinator led the Department's development of the *National Strategy to Fight Transnational Serious and Organised Crime*, reflecting an aligned effort across government, the private sector and the community to combat this threat. The Department also strengthened efforts to stem money laundering and the financing of terrorism, while the *Unexplained Wealth Legislation Amendment Act 2018* gave effect to a National Cooperative Scheme to bolster cross-jurisdictional efforts to target and seize illegal assets associated with serious and organised crime.

With reporting requirements under the *Modern Slavery Act 2018* taking effect on 1 January 2019, the Department established a Business Engagement Unit to advise and support the more than 3000 entities operating in Australia which will be affected.

In 2018–19, the Department continued to support the Government’s strong border protection arrangements. Under Operation Sovereign Borders, 17 Vietnamese and 20 Sri Lankans who attempted to enter Australia illegally by boat in August 2018 and May 2019 respectively were returned to their countries of origin. To reinforce the Government’s message that no one who attempts to reach Australia illegally by boat will be allowed to stay, the Department launched the ‘Zero Chance’ campaign in June 2019.

Regional processing remains a key pillar of Operation Sovereign Borders. In 2018–19, the Department continued to work with the Governments of Nauru and Papua New Guinea to provide transferees with health, welfare and support services. Under Australia’s one-off arrangement with the United States, 254 refugees were resettled during the 2018–19 financial year. With the passing of the *Home Affairs Legislation Amendment (Miscellaneous Measures) Act 2019*, the Department was required to implement new medical transfer arrangements and establish an Independent Health Advice Panel.

Good progress was made towards resolving the Illegal Maritime Arrivals legacy caseload. 15,683 people have now been granted Temporary Protection visas and Safe Haven Enterprise visas, and a further 8511 individuals are having their applications processed (on hand or at review).

Our business and systems improvements

In 2018–19, the Department commenced a number of initiatives to improve its business and systems with a view to enhancing service delivery for Australians and realising efficiencies within the Home Affairs Portfolio.

The Department’s digital service portal, ImmiAccount, enables the public to lodge, track, manage and pay for a wide range of visa and citizenship applications online. Tellingly, in 2018–19, new ImmiAccounts increased by 28 per cent on the previous year (with more than 10 million now existing) and 95 per cent of permanent and temporary visa applications were lodged online. This year, we continued to expand online lodgement services, improving accessibility and usability in the process. For example, new online applications were established for the Transit visa and Medical Treatment visa; applications for the Pacific Labour Scheme stream have been brought online through the Temporary Work (International Relations) visa form and the Maritime Crew visa and Resident Return visa forms were improved to provide better client experience and processing.

The increasing digitisation of services has removed bureaucratic bottlenecks, streamlined application processes, improved reporting and reduced the need for clients to phone the Department or visit a shopfront in-person. Service levels for the Department’s call centre have continued to improve since consolidating our three call centres in March 2018 to a single onshore contracted provider. In 2018–19, the average call wait time was 4 minutes, 12 seconds compared to 34 minutes, 31 seconds prior to consolidation.

The Department also continues to support clients through a move towards an appointment-only model, eliminating the need to queue.

The Department also progressed its tender process for a Global Digital Platform—a capability which seeks to transform how we deliver visa and citizenship services in Australia. The platform will help us manage escalating volumes and applications, support greater integrity due to increasingly complex security risks, and meet public expectations for more convenient, seamless and fast digital services. While the platform will leverage external technical expertise, it will not involve privatising Australia's visa system. The Department will always maintain responsibility and accountability for immigration and citizenship policy, security, risk assessments and visa decision-making.

This year, with colleagues in the Australian Border Force (ABF), the Department promoted more seamless international trade facilitation to support Australian businesses, reduce regulatory burdens and bolster the economy at large. By the end of the financial year, 426 businesses had been accredited as Trusted Traders, all benefitting from simplified customs procedures and priority service. In March 2019, the Department initiated a review to consider potential regulatory and process improvements for import and export border permits. The Department also made several improvements to the Integrated Cargo System, making it more reliable, stable and responsive to record cargo volumes. The system, which supports frontline staff and the cargo industry, captured over \$20 billion in revenue in 2018–19.

In support of the ABF, the Department rolled out 'Retriever'—a detector dog training application which automates manual tasks. The resultant training efficiencies have freed-up more staff for on-the-ground detection work.

Our Enterprise Release Management team worked across the Department on several major Information and Communications Technology (ICT) upgrades, ensuring minimal disruptions to our business in the process. These upgrades supported the implementation of new family visas, expansion of the Working Holiday Maker program, a 100 per cent reporting compliance for advanced passenger processing, and the roll-out of a new Enterprise Biometric Identification Service and client appointment booking system.

The Department's National Security Hotline continues to be a trusted channel for Australians to report concerns. In 2018–19, the hotline received almost 31,000 phone calls from members of the public, with more than 16 per cent referred to relevant authorities for further investigation.

With regards to the Department's 2018–19 financial performance, with an operating budget of \$2.922 billion, we achieved a small operating surplus of around \$235,000. This result sees us end the year within 0.01 per cent of the allocated budget.

In 2018–19, the Portfolio achieved \$18.5 million in efficiencies. Testimony to the intent and construct of the Portfolio, and the collaboration which exists across it, the Department has already initiated shared service arrangements in several areas. Such initiatives form the basis of a Portfolio-wide commitment over the next three years to integrate administrative functions to reduce costs and improve service delivery for the public.

The Portfolio's Budget is developed by the Department with input from the Portfolio agencies. This year, a Portfolio committee was formed to oversee new accounting standards for leases, while a community of practice was created with a view to standardising procurement practices across the Portfolio.

This year, as part of ICT remediation, we migrated 60 applications and services from four agencies onto a single Home Affairs platform. Moreover, we implemented Wi-Fi and video conferencing capabilities to six sites across Canberra. Within the Department, we transitioned all staff to a consolidated end-user computing environment and improved the functionality of our intranet. We also established a Portfolio Architecture Working Group to identify shared technology capabilities and opportunities for coalescence, for example, in network services; identity, access and security incident management; and data centre consolidation.

The Department commenced work to align common ICT contracts. Relatedly, we have put in place an arrangement whereby the Department will lead ICT project delivery on behalf of the Portfolio agencies, with the agencies retaining responsibility for project outcomes. For example, the National Criminal Intelligence System will be delivered by the Department, but managed by the Australian Criminal Intelligence Commission (ACIC).

In 2018–19, the ACIC and the Australian Transactions Reports and Analysis Centre (AUSTRAC) were brought into the Department's media monitoring contract under a cost sharing arrangement, which the Australian Federal Police (AFP) will join in 2020–21. The Department coordinates Portfolio daily updates detailing media enquiries received across all agencies, with the exception of the Australian Security Intelligence Organisation (ASIO).

This year, we commenced expanding Ministerial and Parliamentary support to Portfolio agencies. The Department's Parliamentary Document Management System (PDMS) contract now includes all Portfolio agencies (except the AFP due to operational sensitivities contained within submissions). Both ACIC and AUSTRAC will soon be connected to the PDMS.

In a similar vein, the Department's Cabinet Liaison Office commenced coordinating responses to Home Affairs Cabinet Submissions to reflect a whole-of-Portfolio perspective, while managing input into non-Home Affairs Cabinet Submissions from all Portfolio agencies (with the exception of ASIO due to sensitivities). The Department is looking to update its CabNet system for the Portfolio to reduce costs.

Finally, this year we established a Portfolio human resource group to share specialist expertise across the Portfolio, for example, in health services, clinical psychology and employee assistance.

Our people

The establishment of the Home Affairs Portfolio in December 2017 saw major changes and a sustained period of organisational reform, accompanied by persistently high-tempo business and operational demands. Accordingly, a priority for the Department in 2018–19 was to support its people and embed our organisational culture.

To help build our workforce capability, we examined roles across the Department and ABF, defining precise competencies, skills, knowledge and attributes required for specific positions. This process will help us better utilise the existing talents of staff and provide opportunities for career development and mobility.


In February, 103 graduates commenced under the Department's graduate program, which includes placements within the ACIC in the first collaborative graduate program for the Portfolio. In the historical context of the Department's former entities, this intake is the largest for the Department in more than 11 years. The program has been extended to 12-months, with all graduates required to complete a Diploma in Government. As part of our graduate marketing strategy, the Department is targeting applicants who can support our critical and emerging capability requirements.

Accommodating our geographically dispersed workforce, a new online learning platform was implemented in September 2018—*LinkedIn Learning*—providing our workforce of over 14,000 staff with access to more than 7500 expert-led courses tailored to existing and emerging training requirements.

Leadership development was also a priority this year. Executive Level staff undertook capability assessments to understand their strengths and areas for development, while dedicated leadership conferences helped them to contextualise their own work within the Department and Portfolio's broader objectives to deliver outcomes for Government and the community. More widely, our Leadership in Action speaker series forum—also live-streamed with the Department—enabled staff at all levels to hear from experts in a range of professional fields.

The Department also enhanced its work health and safety initiatives to ensure staff were well supported. A focus was developing a strategy to address psychosocial risks that can manifest in high volume, high-intensity visa-related work.

The Department has developed a Statement of Commitment to promote a diverse and inclusive workplace which represents the community we serve. This equality of opportunity intent is championed by dedicated SES appointed as Diversity, Disability and Indigenous Champions. In April 2019, the Department published its inaugural *LGBTI+ Action Plan 2019–22* modelled on best practice for workplace inclusion. Additionally, in May 2019, I launched the Department's *Reconciliation Action Plan 2019–22*. This plan encapsulates how, through our work, we are determined to build stronger relationships between



Aboriginal and Torres Strait Islander peoples and the broader Australian community. We will also be looking to increase the representation of Indigenous staff, offer new developmental opportunities, and continue to build cultural awareness. In 2018–19, eight staff participated in the Jawun APS Secondment Program which places people into Aboriginal and Torres Strait Islander organisations. This year, the Department continued to support entry level intake programs including GradAccess—a graduate pathway for people with disability—and the Australian Government Indigenous Lateral Entry Program.

Looking forward

The Department's 2018–19 Annual Report provides details of our performance and results. We will continue to build on these successes over the next year, with a focus on delivery and improvement to the services we provide to the community and Government.

Working alongside our colleagues in Home Affairs Portfolio, we will draw on our collective strengths, traditions, values and history. In so doing, we will ensure Australia remains prosperous, secure and united—those conditions which enable all Australians to realise their aspirations in life.

ABOUT THE AUSTRALIAN BORDER FORCE

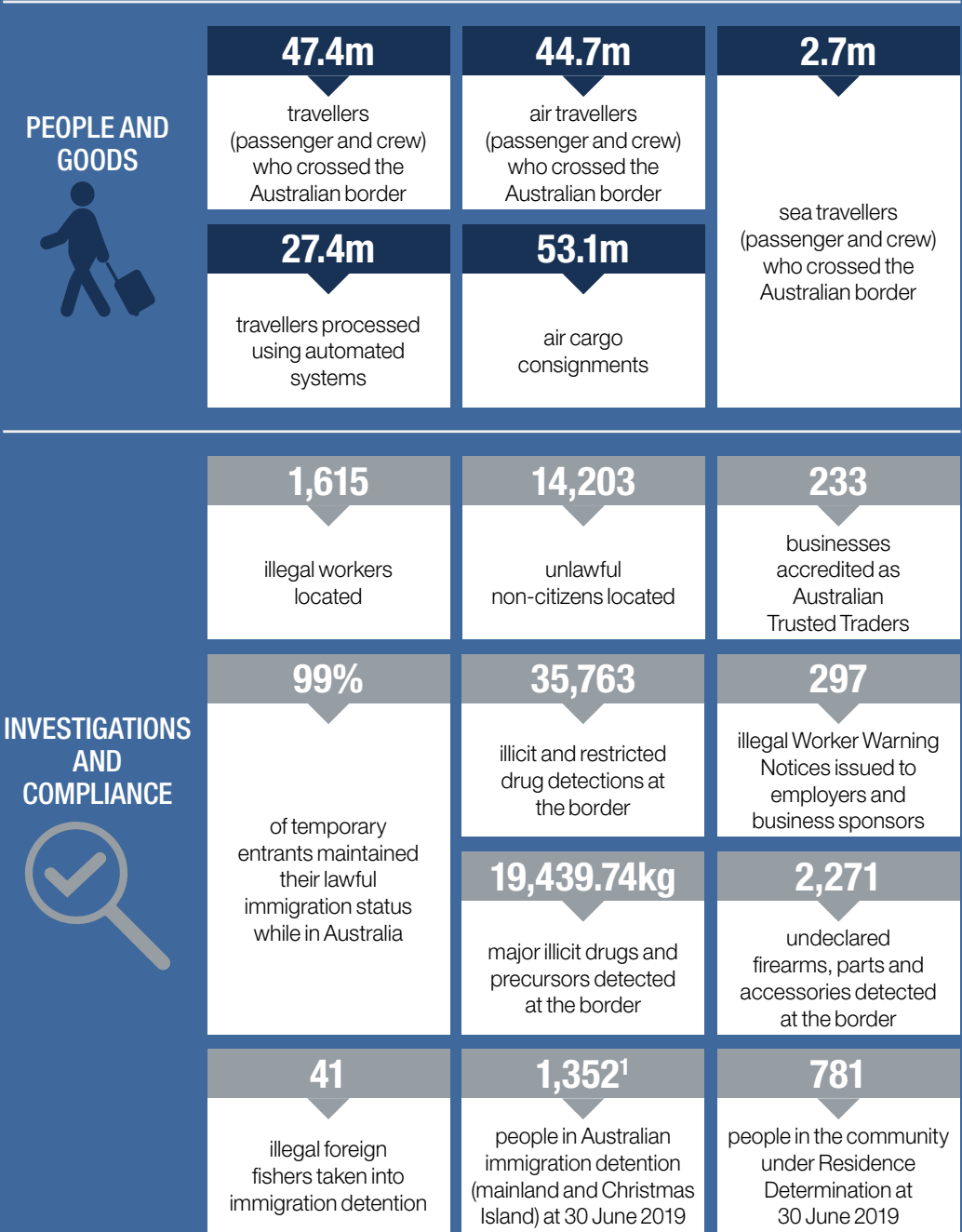
The Australian Border Force (ABF) is an operationally independent body responsible for implementing Australia's border enforcement policies, managing maritime, frontline border law enforcement and customs activities to protect the integrity of Australia's borders.

The ABF modernises Australia's trade and travel systems to facilitate the seamless movement of legitimate trade and travel. It operates in sensitive and high-risk environments to identify, mitigate and manage threats before they reach the Australian border—across Australia and internationally. At the same time, the ABF facilitates trade and travel to support economic growth, while protecting government revenue and ensuring compliance with Australia's customs laws.

The Secretary is the employer and PGPA Act authority for the ABF, with the exception of the Commissioner who is statutorily appointed.

The ABF at a glance

Figure 3: ABF at a glance



1. Immigration detention includes people in immigration detention facilities and alternative places of detention.

Organisational structure

Australian Border Force organisational structure at 30 June 2019.

Table 2: Australian Border Force organisational structure

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

The Executive team

As at 30 June 2019



Michael Outram APM

Commissioner of the Australian Border Force

Michael is responsible for protecting Australia's national borders and fostering lawful cross-border trade and travel. Michael oversees a range of complex capabilities and assets, including a fleet of ocean-going patrol vessels, systems to manage people and goods at border entry and exit points, investigations into serious organised fraud of Australia's visa system and exploitation of illegal workers, and the onshore immigration detention network.



Mandy Newton APM

Deputy Commissioner of the Operations Group within the Australian Border Force

Mandy joined the ABF on 3 April 2017 as Deputy Commissioner Support following a 28-year career in law enforcement and policing with the Australian Federal Police. Mandy transferred to the role of Deputy Commissioner Operations on 3 September 2018. She is responsible for providing high-level strategic direction across all operational activities around the border. This includes the management of travellers, goods and cargo, as well as enforcement and maritime operations. Additionally, Mandy leads the detention and offshore regional processing operational activities.



Justine Saunders APM

Deputy Commissioner of the Support Group within the Australian Border Force

Justine joined the ABF on 29 October 2018 as Deputy Commissioner Support following a 29-year career in law enforcement and policing with the Australian Federal Police. Justine is responsible for delivering operational continuity through strategic planning and support to achieve the ABF's operational outcomes. This includes leadership of ABF's workforce and maritime capabilities and specialist support to operations including the Detector Dog Program and technical teams.

Changes to the Executive Team

The following changes in the ABF leadership occurred during 2018–19.

- Justine Saunders was appointed to Deputy Commissioner ABF Support. Before this she was Chief Police Officer of the ACT, Australian Federal Police.

COMMISSIONER'S REVIEW

Since its establishment in 2015, the Australian Border Force (ABF) continues to mature into a modern, professional and disciplined border law enforcement agency and customs service. The ABF is a global influencer within the international customs and border enforcement community, and is a critical partner within the Home Affairs Portfolio. As an operationally independent body, the ABF has complementary imperatives: the facilitation of travel and trade, and the security of Australia's border.

The ABF takes a multi-layered risk-based approach to border protection and customs service delivery. Our highly skilled uniformed officers use a mixture of monitoring and response methods, vessels, information sharing, intelligence, aerial, maritime and land surveillance patrols to ensure the integrity of Australia's border.

As Australia's customs service, the ABF facilitates international trade, maintains the integrity of our trading environment. The Department and ABF has collected \$19.891 billion in Administered Revenue from visa application charges, customs duty, import processing charges and passenger movement charges on behalf of the Australian Government in 2018–19. This ensures a level playing field for compliant traders, enhances Commonwealth revenue collection, and enables Australian businesses to continue to grow and prosper.

The ABF is continuously adapting to increasing trade volumes and growing pressures by leading trade facilitation, compliance and enforcement reforms that align with, support, and drive the Australian Government's customs and border modernisation agenda.

Our strong relationships with our international trading partners has enabled the development of a growing number of Mutual Recognition Arrangements (MRAs) with other international trading economies. These MRAs help link Australian Trusted Traders with international industry partnership programs to collaborate and create a unified and sustainable security position that assists in securing and facilitating global cargo trade.

These arrangements benefit Australian exporters who experience a streamlined customs clearance process in overseas markets. Australian exporters now have access to seven MRAs in place with international economies, with several more close to finalisation.

As at 30 June 2019, there were 426 businesses and service providers accredited as Australian Trusted Traders, with more than 400 others progressing towards accreditation. The ABF continues to foster partnerships with industry, enabling us to focus our resources on trade activities which pose a heightened or unknown risk.

The use of sophisticated substance and trace detection technologies have helped to sustain the ABF's compliance and enforcement efforts in relation to customs laws. Highly vigilant ABF officers use this state-of-the-art technology at the border to detect and appropriately manage people and goods entering Australia that pose a risk to the Australian community or who may be trying to evade customs duty.

In 2018–19 the ABF processed 53.0 million air cargo consignments along with 2.3 million sea cargo containers, contributing to a total of 324,697 detections of prohibited and restricted goods² across all streams.

In the last year, the ABF detected record-breaking quantities of illicit substances, including the largest detection of methyl amphetamine. This was among 35,763 detections of illicit drugs and precursors in 2018–19. The overall weight of major drugs and precursor detections was 19,440 kilograms.

The ABF is also focused on identifying and disrupting revenue evasion and trade based money laundering that funds criminal activities. The ABF leads the Illicit Tobacco Taskforce (ITTF), which protects Commonwealth revenue by proactively targeting, disrupting and dismantling serious actors and organised crime syndicates that deal in illicit tobacco as part of the black economy.

The ITTF combines the operational, investigative and intelligence capabilities of the ABF, Australian Taxation Office, Department of Home Affairs, Australian Criminal Intelligence Commission, Australian Transaction Reports and Analysis Centre and the Commonwealth Director of Public Prosecutions.

The ITTF has a full array of powers to effectively investigate, prosecute and dismantle international organised crime groups that are profiting from the illicit tobacco trade.

The first warrant executed by the ITTF uncovered more than 17 acres of illegal tobacco crops, and six tonnes of tobacco leaf with an estimated excise value of \$13.3 million. In January 2019, the ITTF seized and destroyed eight acres of illegal tobacco crops and seedlings with a potential excise value of more than \$9 million.

In addition to the work we do in conjunction with the ITTF, in 2018–19 the ABF made a total of 286,663 detections of illicit tobacco, with an equivalent weight of 633.18 tonnes; representing \$670.46 million in evaded duty.

In 2018–19, the ABF continued to operate in an environment of increasing demand for travel. While these growth trends support economic development, the sheer magnitude of demand presents a challenge to our border management practices.

2. Prohibited and restricted goods refers to detections of drugs, precursors and NPS; undeclared conventional firearms, parts and accessories and undeclared tobacco.

In 2018–19 the ABF processed 44.7 million air travellers at the border. Of these travellers, 58 per cent of inbound travellers and 76 per cent of outbound travellers were processed using SmartGate automated technology. Our SmartGates allow for a more streamlined passenger clearance process at Australia's major international airports, reducing airport congestion and improving the traveller experience.

Simultaneously, the ABF's Airline Liaison Officers (ALOs) stationed overseas interdicted 387 imposters or improperly documented persons attempting to enter Australia. A further 1343 travellers were offloaded from flights to Australia based on ALO recommendations that their travel intentions posed a risk to the integrity of Australia's migration policies, representing an increase of 142 per cent on the previous year.

The ABF operates Counter Terrorism Units (CTUs) at eleven of Australia's international airports. The activities undertaken by CTUs are integral to the ABF's counter-terrorism capability, dealing with both inbound and outbound security risks across the national security spectrum. In 2018–19 our CTUs conducted more than 198,000 real-time assessments, assisted with 40 passenger offloads, and detected more than \$3.6 million in undeclared excess currency, mitigating the potential funding of illicit and terrorism related activities.


Another important function performed by the ABF is to maintain the integrity of the migration system. In 2018–19, the ABF continued to lead multi agency efforts to identify, disrupt and deter the facilitators responsible for the systemic and deliberate exploitation of foreign workers and Australia's visa and migration programs.

Enforcement efforts such as Operation Battenrun and Taskforce Cadena have contributed to the completion of 518 field actions, the execution of a combination of 50 Migration Act and Crimes Act warrants, issuing of 40 Illegal Worker Warning Notices and the referral of 25 matters to partner agencies including allegations of human trafficking.

Simultaneously, in 2018–19 the ABF Sponsor Monitoring Unit undertook 507 site visits to ensure certain sponsors are not breaching their sponsorship obligations.

The ABF continues to work collaboratively with domestic and international law enforcement agencies and stakeholders to harden the border environment to serious organised crime networks seeking to exploit vulnerable foreign workers and Australia's migration system for financial gain.

While more than 99 per cent of travellers coming to Australia comply with their visa conditions, a very small minority breach their conditions leading to ABF enforcement action. These breaches may include engaging in illegal work, overstaying their visa, and representing a threat to the Australian community through breaching character conditions. ABF enforcement actions may lead to foreign nationals being held in an immigration detention facility while they resolve their immigration situation. Immigration detention facilities are used as a last resort and for a very small proportion of the people whose status requires resolution, sometimes through protracted legal proceedings.



Working with service providers the ABF is responsible for the safety and security of the immigration detention network, including detainees, our officers, service provider staff and visitors. Between 1 July 2018 and 30 June 2019, 6957 people were taken into immigration detention, with an average of 1307 people at any one time.

The ABF is also contending with one of the largest and most challenging maritime border environments in the world. We continue to contribute to the Joint Agency Taskforce Operation Sovereign Borders (OSB) and its efforts to detect and disrupt the ongoing threat of maritime people smuggling activities within Australia's territorial waters, and those of our regional neighbours.

Concerning Australia's on-water security, ABF's Maritime Border Command (MBC) delivers a coordinated national approach to offshore protection by operating as a single maritime surveillance, response and interception agency.

MBC responds to all requests for maritime law enforcement and investigates vessels identified as potentially non-compliant, and prioritises activity according to threat, which includes narcotics trafficking. In 2018, MBC provided surveillance and response support to the interception of an attempted small-craft drug importation approximately 40 nautical miles east of Byron Bay, which resulted in the arrest of two men and the seizure of 587.6 kilograms of cocaine.

In 2018–19 the Department of Home Affairs, with the support of the ABF, commenced the Future Maritime Surveillance Capability Project (FMSCP) to ensure that we keep pace with the anticipated changes to our threat environment in the years ahead. The FMSCP will deliver a scalable and sustainable patrol and response capability which, married to our intelligence informed and risk based approach, will ensure the ABF is well positioned to address threats to Australia's maritime domain.

The ABF continues to capitalise on opportunities for collaboration, coordination and information sharing within the Home Affairs Portfolio and amongst the broader law enforcement community.

The ABF will maintain close working relationships with our domestic and international law enforcement and intelligence partners, and with our colleagues across the Home Affairs Portfolio. These partnerships will build upon and strengthen our ability to identify and focus our efforts to support and fight against transnational organised crime and terrorism, and to protect vulnerable people.

The ABF occupies a trusted position at the border, and our service to the Australian community is guided by the values of integrity, professionalism, respect and accountability.

Office and post locations



As a global organisation, the Department brings together 14,055 staff based in Australia and in 114 locations around the world.

Figure 4: Locations of the Department’s primary office and overseas post locations as at 30 June 2019

REGIONAL DIRECTORATES	EMBASSIES		CONSULATES	HIGH COMMISSIONS
ACT and Regions	Amman	Hanoi	Auckland	Colombo
Adelaide	Ankara	Jakarta	Dubai	Islamabad
Brisbane	Bangkok	Manila	Guangzhou	Kuala Lumpur
Cairns	Beijing	Moscow	Ho Chi Minh City	London
Darwin	Beirut	Phnom Penh	Hong Kong	Nairobi
Hobart	Belgrade	Santiago	Shanghai	New Delhi
Melbourne	Berlin	Seoul	OTHER	Ottawa
Parramatta	Brasilia	Tehran		Port Louis
Perth	Brussels	Tel Aviv		Port Moresby
Sydney	Buenos Aires	Tokyo		Pretoria
Thursday Island	Cairo	Washington DC	Geneva	Singapore
	Dili	Yangon	National Office	Suva
				Wellington

Legislation

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

- *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*
- *AusCheck Act 2007*
- *Australian Border Force Act 2015*
- *Australian Citizenship Act 2007*
- *Australian Citizenship (Transitionals and Consequential) Act 2007*
- *Australian Crime Commission Act 2002*, except to the extent administered by the Attorney-General
- *Australian Crime Commission Establishment Act 2002*
- *Australian Crime Commission (National Policing Information Charges) Act 2016*
- *Australian Federal Police Act 1979*
- *Australian Security Intelligence Organisation Act 1979*, except to the extent administered by the Attorney-General
- *Australian Transaction Reports and Analysis Centre Industry Contribution Act 2011*
- *Australian Transaction Reports and Analysis Centre Industry Contribution (Collection) Act 2011*
- *Aviation Transport Security Act 2004*
- *Commerce (Trade Descriptions) Act 1905*
- *Crimes Act 1914*, parts IAA, IAAA, IAAB, IAB, IAC, IC, ID, and IE
- *Crimes (Aviation) Act 1991*
- *Criminology Research Act 1971*
- *Customs Act 1901*, other than parts XVB and XVC
- *Customs Licensing Charges Act 1997*
- *Customs Securities (Penalties) Act 1981*
- *Customs Tariff Act 1995*
- *Customs Undertakings (Penalties) Act 1981*
- *Financial Transaction Reports Act 1988*
- *Immigration (Guardianship of Children) Act 1946*
- *Import Processing Charges Act 2001*

- *Inspector of Transport Security Act 2006*
- *Intelligence Services Act 2001*, insofar as it relates to the Australian Security Intelligence Organisation
- *Law Enforcement (AFP Professional Standards and Related Measures) Act 2006*
- *Maritime Powers Act 2013*
- *Maritime Transport and Offshore Facilities Security Act 2003*
- *Migration Act 1958*
- *Migration Agents Registration Application Charge Act 1997*
- *Migration (Health Services) Charge Act 1991*
- *Migration (Sponsorship Fees) Act 2007*
- *Migration (Visa Application) Charge Act 1997*
- *Narcotic Drugs Act 1967*, sections 12 and 22 and Subsection 24(2), and so much of the remaining provisions of that Act (other than sections 9, 10, 11, 13, 19 and 23 and Subsection 24(1)) as relate to powers and functions under those sections
- *National Crime Authority (Status and Rights of Former Chairman) Act 1984*
- *Passenger Movement Charge Act 1978*
- *Passenger Movement Charge Collection Act 1978*
- *Proceeds of Crime Act 1987*, except to the extent administered by the Attorney-General
- *Proceeds of Crime Act 2002*
- *Proceeds of Crime (Consequential Amendments and Transitional Provisions) Act 2002*
- *Psychotropic Substances Act 1976*
- *Public Order (Protection of Persons and Property) Act 1971*
- *Security of Critical Infrastructure Act 2018*
- *Social Security Act 1991*, insofar as it relates to Australian Government Disaster Recovery Payment, Disaster Recovery Allowance and the Australian Victim of Terrorism Overseas Payment
- *Social Security (Administration) Act 1999*, insofar as it relates to Australian Government Disaster Recovery Payment, Disaster Recovery Allowance and the Australian Victim of Terrorism Overseas Payment
- *Surveillance Devices Act 2004*
- *Telecommunications (Interception and Access) Act 1979*
- *Witness Protection Act 1994*.



Seventeen portfolio bills were introduced to the Australian Parliament during 2018–19. In that period, 13 bills passed both Houses of Parliament and became Acts upon receiving Royal Assent. A further 56 regulations were registered and 71 additional legislative instruments were made.

Amendment Acts, regulations and other legislative instruments are available on the Federal Register of Legislation³, administered by the Office of Parliamentary Counsel.

.....
3. www.legislation.gov.au

PART 2

ANNUAL PERFORMANCE STATEMENTS

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STATEMENT BY THE ACCOUNTABLE AUTHORITY

I, Michael Pezzullo, as the accountable authority of the Department of Home Affairs, present the annual performance statement of the Department of Home Affairs for 1 July 2018 to 30 June 2019 as required under Paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

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



Michael Pezzullo

Accountable authority

10 September 2019

Performance reporting

The relationship between the outcome structure of the *Department of Home Affairs Portfolio Budget Statement* and the purposes in the *Department of Home Affairs Corporate Plan 2018–19* is in Figure 5. The Department's performance measures for 2018–19 are updated from those reported in 2017–18 to accurately acquit performance against the integrated functions following the Machinery-of-Government change in December 2017. Comparative data from previous financial years has been included where available and applicable.

Figure 5: Outcome and program structure

Home Affairs Corporate Plan 2018–19 Purposes	PURPOSE 1 Protect Australia	PURPOSE 2 Promote responsive migration	PURPOSE 3 Advance trade and revenue
Home Affairs Portfolio Budget Statements 2018–19 Outcomes	Outcome 1: Protect Australia's sovereignty, security and safety through its national security, emergency management system, law enforcement, and managing its border, including managing the stay and departure of all non-citizens.	Outcome 2: Support a prosperous, open and inclusive society, and advance Australia's economic interests through the effective management of the visa, multicultural and citizenship programs and provision of refugee and humanitarian assistance.	Outcome 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.
Home Affairs Portfolio Budget Statement 2018–19 Programs	Program 1.1 Border Enforcement Program 1.2 Border Management Program 1.3 Onshore Compliance and Detention Program 1.4 Illegal Maritime Arrival Offshore Management Program 1.5 Regional Cooperation Program 1.6 Transport Security Program 1.7 National Security and Criminal Justice Program 1.8 Cyber Security Program 1.9 Counter-Terrorism Program 1.10 Australian Government Disaster Financial Support Payments	Program 1.5 Regional Cooperation Program 2.1 Multicultural Affairs and Citizenship Program 2.2 Migration Program 2.3 Visas Program 2.4 Refugee and Humanitarian Assistance	Program 1.5 Regional Cooperation Program 3.1 Border-Revenue Collection Program 3.2 Trade Facilitation and Industry Engagement

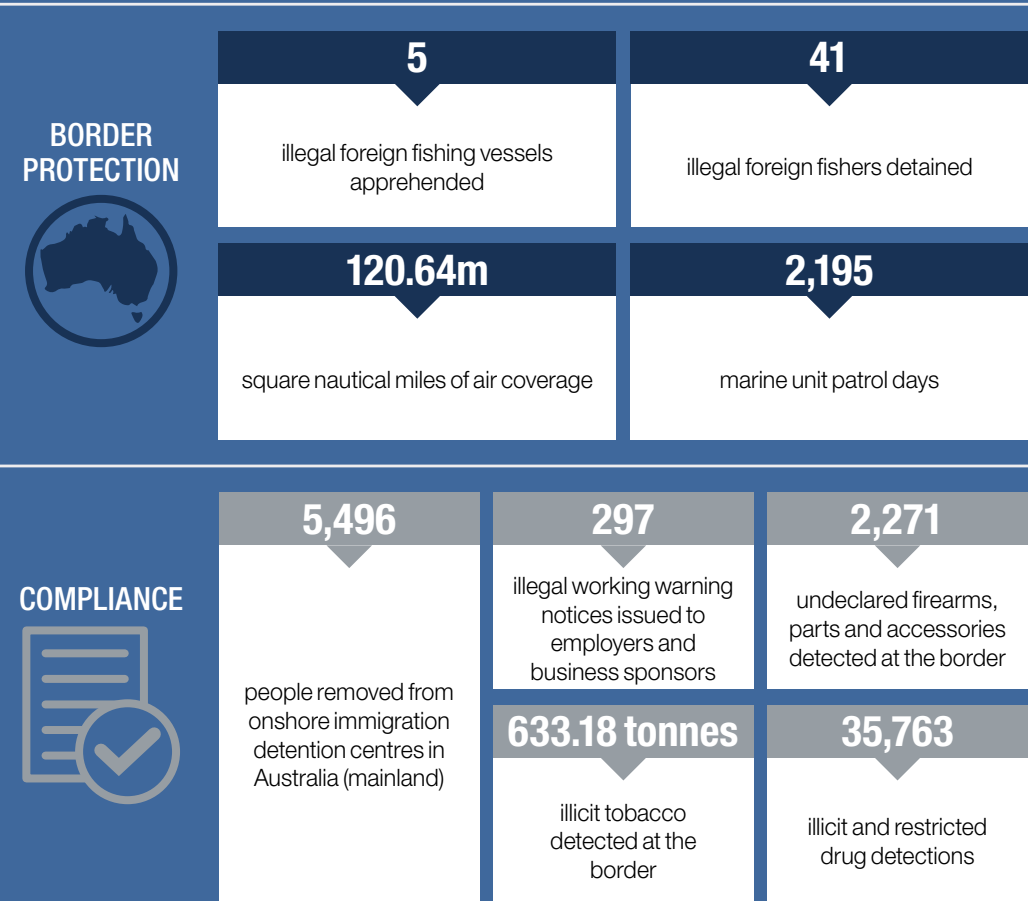
PURPOSE 1: PROTECT AUSTRALIA

Table 3: Purpose 1—Performance criteria

Home Affairs Corporate Plan 2018–19, Strategic Performance Measures	PURPOSE 1 Protect Australia	
	Strategic Performance Measure 1.1	Effective surveillance and response contributes to achieving an increase in compliance in the Australian maritime domain.
	Strategic Performance Measure 1.2	People and goods that pose a risk to the Australian community are detected and appropriately managed ahead of, at and after the border.
	Strategic Performance Measure 1.3	Collaboration with the international community enhances our capacity to detect and respond to current and potential threats to Australia and its partners, including terrorism, transnational crime, and maritime security and cyber threats.
	Strategic Performance Measure 1.4	Prevention of transport security incidents in aviation, maritime and offshore oil and gas sectors supports Australia's economic and social prosperity.
	Strategic Performance Measure 1.5	Delivery of national security and transnational, serious and organised crime policies, legislation and programs enhance the capacity to detect and respond to current and potential threats to Australia and its partners.
	Strategic Performance Measure 1.6	Timely, relevant and forward leaning cyber security policy advice, protects and advances Australia's interests online.
	Strategic Performance Measure 1.7	Delivery of national counter-terrorism policies, legislation and programs enhances our capacity to detect and respond to potential threats to Australia and its partners.
	Strategic Performance Measure 1.8	Provision of national leadership in emergency management reduces the impact of disasters on Australian communities.
	Strategic Performance Measure 1.9	Australia's critical infrastructure is safe from the national security risks of sabotage, espionage and coercion.

Purpose 1: At a glance 2018–19

Figure 6: Purpose 1— At a glance 2018–19



PURPOSE 1: PROTECT AUSTRALIA

Analysis of performance against Purpose 1

The Department and the Australian Border Force (ABF) continued to protect the interests of the Australian community and securing Australia's borders. These activities delivered strong outcomes, including the detection of 35,763 illicit and restricted drugs and 2271 undeclared conventional firearms, parts and accessories. The ABF also processed a record 47.4 million international air and sea travellers, an increase from 46.0 million in 2017–18.

Continued economic growth, driven in part by increasing wealth and trade across the Indo-Pacific region, continued to have implications for Australia in 2018–19, including the need to manage increasing volumes of trade and people movement, and Australian industry seeking to engage globally with new customer bases and labour markets. The Department and the ABF used a strategy-led and intelligence-informed, risk-based approach to accommodate increases in trade and travel across physical borders.

Transnational, serious and organised crime groups and people smugglers continued to try to exploit Australia's extensive maritime borders in 2018–19. Totalling more than 10 million square kilometres, Australia's maritime domain is one of the largest in the world.

In 2018–19, the ABF coordinated maritime enforcement operations through assigned ABF and Australian Defence Force assets to deter, detect, respond to and prevent civil maritime security threats. The Department and the ABF interdicted and/or apprehended five illegal maritime vessels, a decrease of nine from 2017–18.

The Airline Liaison Officer program is an integral part of the ABF's layered approach to border management. Air travellers holding counterfeit or fraudulently altered passports, imposters, and those holding fake or fraudulently obtained visas, continued to actively target Australia. Airline Liaison Officers prevented 387⁴ imposters or improperly documented persons entering Australia in 2018–19, up from 205 in 2017–18.

Through regional cooperation and engagement, the Department and the ABF provided technical skills and development activities to enhance the border management and security capacity of Australia's international partners. This included training on topics such as document examination, facial image comparison, intelligence analysis, investigations, and passenger risk assessments. This enhanced the facilitation and security of legitimate travel across the region.

4. Airline Liaison Officer preventions are the result of border threats that are identified and treated before they reach an Australian port.

The Department continued to lead counter-terrorism activities across the Portfolio to advance and protect Australia's interests. The ABF Counter-Terrorism Unit focused on:

- preventing Australian citizens from travelling to conflict areas
- detecting returning Australian foreign fighters
- preventing the movement of funds for terrorism
- detecting extremist images and material that were divisive and offensive to the Australian community and its values.

In 2018–19, the Department and the ABF also coordinated Australia's strategic, policy and operational approach by implementing legislative reforms, including:

- *Counter-Terrorism Legislation Amendment Act 2018*
- *Transport Security Legislation Amendment (ASIC and MSIC Measures) Regulations 2018*
- *Security of Critical Infrastructure Act 2018*.

The Department also developed the *Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill*.

The Department led the whole-of-government cyber security policy through the implementation of *Australia's Cyber Security Strategy*. This included working with states and territories to continue to strengthen their cyber security capability to reduce the threat and likelihood of Australia and Australians being targeted in acts of cyber-crime.

A key focus of the Portfolio's cyber policy work is on preventing cyber-enabled theft from serious and organised criminal syndicates and protecting Australia's information and systems of national significance against attack. In 2018–19, the National Counter Foreign Interference Coordinator developed a national response to counter foreign interference and drew together policy levers to respond. The Coordinator worked across all sectors of Australian society vulnerable to foreign interference, including government, industry, business and academia, to increase the cost and reduce the benefit of foreign interference. The Coordinator also collaborated with community groups to educate and build a cohesive society resilient to foreign interference.

Similarly, the Commonwealth Transnational, Serious and Organised Crime (TSOC) Centre hosted the Five Eyes Extraordinary Meeting on TSOC in April 2019, bringing together representatives from Australia, Canada, New Zealand, the United Kingdom and the United States. The meeting supported a common understanding of challenges and opportunities for future collaboration, to enable more effective and coordinated responses to combat TSOC.

A number of natural disasters and extreme weather events occurred in Australia in 2018–19. Emergency Management Australia implemented key initiatives to reduce the impact of disasters on the Australian community. The Preparing Australia Package, announced in December 2018, delivered \$26.1 million in targeted investments to enhance Australia's emergency management capabilities. This included funding for:

- the National Aerial Firefighting Centre
- the next generation National Fire Danger Rating System
- progressing and trialling a Public Safety Mobile Broadband across Australia
- ensuring availability of the national Emergency Alert system.

In 2018–19, the National Resilience Taskforce led national reforms to reduce the impact of natural hazards on Australian communities and the economy. The Taskforce engaged with stakeholders to develop national disaster risk information capability, progress guidance on disaster risk assessment and management, and explore options for targeted investment in reducing disaster risk and vulnerabilities. As a result, the Taskforce released the *National Disaster Risk Reduction Framework* on 5 April 2019.

Detailed performance information related to Purpose 1 is in Table 4.

Table 4: Purpose 1—Performance information

SPM 1.1 Effective surveillance and response contribute to achieving an increase in compliance in the Australian maritime domain.		Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 25	
KEY PERFORMANCE INDICATOR	MEASUREMENTS	RESULTS	
1.1.1	Non-compliant vessels, where law enforcement responses are required, are identified through surveillance and intelligence.	All requests for law enforcement responses are assessed and responses are prioritised according to threat.	<p>This measure was met.</p> <p>During 2018–19, 100 per cent of requests for law enforcement to investigate vessels identified as potentially non-compliant were risk assessed and prioritised according to threat. This is consistent with response rates from previous years.</p> <p>As a result, five illegal foreign fishing vessels were apprehended, compared to 14 vessels in 2017–18. 41 illegal foreign fishers were detained and processed, compared to 58 in 2017–18.</p> <p>Maritime Border Command (MBC) provided surveillance and response support to the interception of an attempted small-craft drug importation, resulting in the arrest of two men and 587.6 kilograms of cocaine.</p>
1.1.2	Collaboration supports a law enforcement response to threats within the Australian maritime domain.	<p>One exercise with Commonwealth/state/territory partners/industry.</p> <p>Monthly engagement with law enforcement partners and industry.</p> <p>All task requests from other agencies are risk assessed and actioned according to threat level, supporting responses to specific threats in the Australian maritime domain.</p>	<p>This measure was met.</p> <p>MBC undertook a collaborative exercise with Australian Government representatives, state and territory partners, and industry on 12–14 June 2019. This enhanced MBC's ability to establish an Augmented Multi-Agency Task Force to respond to Maritime Counter Terrorism incidents. Fifteen Australian Government and state and territory agencies, as well as a representative from New Zealand Customs were involved.</p> <p>MBC continues to conduct monthly engagements with government agencies and industry with 314 recorded engagements in 2018–19, an increase from 265 in 2017–18. This increase supports MBC's broader focus on collaboration and engagement to enhance the effectiveness of response to maritime threats.</p> <p>100 per cent of task requests from other agencies were risk assessed and actioned according to threat level. This supported effective responses to specific threats in the Australian maritime domain and remained consistent with the response rate in 2017–18.</p>
SPM 1.2 People and goods that pose a risk to the Australian community are detected and appropriately managed ahead of, at and after the border.		Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 25	
KEY PERFORMANCE INDICATOR	MEASUREMENTS	RESULTS	
1.2.1	Engagement with agencies and our international liaison networks contributes intelligence to enhance our national security.	Regular engagement with partner agencies and international liaison networks enhances national security.	<p>This measure was met.</p> <p>In 2018–19, the Department continued to regularly engage with a wide range of domestic and international stakeholders to contribute intelligence and enhance Australia's national security.</p>

			<p>Examples of departmental engagements in 2018–19:</p> <ul style="list-style-type: none"> • Met with Japanese counterparts to discuss cyber security, critical infrastructure, supply chain security, and information sharing. Following a meeting in May 2019 with the Japanese Embassy, Australia was invited to participate in a joint Japan-United States run Industrial Control Systems Cybersecurity Training Seminar in Tokyo. • Continued to be a member agency of the Border 5/Migration 5 Heads of Intelligence Group, exchanging expertise, tradecraft and lessons learned. This informed the Department's policy making and operational priorities. Intelligence and operational holdings were also enriched through this forum. • Co-chaired the inaugural Australia–France Strategic Dialogue on National Security. The meeting resulted in the formation of three working groups, focusing on counter-terrorism and countering violent extremism, cyber security issues and regional approaches in the Pacific. • Co-hosted with French Polynesia the Second Pacific Maritime Domain Awareness Workshop. The workshop enhanced ability to combat transnational and serious organised crimes. This included human trafficking, drug and precursor trafficking, small arms trafficking and environmental crimes. • In partnership with the International Organization for Migration, conducted a capacity-building program in Suva, Fiji. Training focused on cooperation between law enforcement agencies to enhance border intelligence capabilities. It included a challenging scenario-based intelligence exercise.
1.2.2	Persons who pose a risk to Australian community are identified and managed prior to travel or border clearance.	The visas of 100 per cent of non-citizens known to pose risks to the Australian community are refused/cancelled before or at the border.	<p>This measure was met.</p> <p>In 2018–19, 100 per cent of non-citizens assessed as posing a known risk to the Australian community were refused or had their visas cancelled before or at the border.</p> <p>Airline Liaison Officers stationed overseas interdicted 387 imposters or improperly documented persons attempting travel to Australia in 2018–19, compared to 205 in 2017–18, an 89 per cent increase.</p> <p>Another 1343 travellers were offloaded from flights to Australia based on Airline Liaison Officer recommendations because their travel intentions posed a risk to the border in 2018–19, compared to 555 in 2017–18, an increase of 142 per cent. The increase is attributed to a focused effort by the Airline Liaison Officer network to increase assessments and treat risks before they reach the Australian border.</p>

			<p>In addition the Department and the ABF made 189 visa application refusals offshore based on character or security grounds, a decrease of 57 per cent from the 444 offshore visa applications refused on the same grounds in 2017–18.</p> <p>On arrival in Australia, and before border clearance, international travellers are subject to a further layer of assessment. In 2018–19, 387,049 travellers were referred for further assessment at the border. This led to 4191 travellers being refused immigration clearance, a decrease from the 4584 travellers in 2017–18.</p>
1.2.3	Persons in Australia posing a risk to the community are identified and manage in accordance with Australian law.	<p>100 per cent of non-citizens liable for mandatory visa cancellation, who are serving custodial sentences, have their visas cancelled before their custodial sentence ceases⁵.</p> <p>100 per cent of people in immigration detention are detained in accordance with Australian Law.</p>	<p>This measure was met.</p> <p>In 2018–19, 925 non-citizens serving custodial sentences and who were liable for mandatory visa cancellations had their visas cancelled before their custodial sentence ceased. This represents 100 per cent of those liable for mandatory cancellation and is consistent with 2017–18.</p> <p>100 per cent of people in immigration detention in 2018–19 were detained in accordance with Australian law⁶, consistent with results reported in 2017–18. In 2018–19, the monthly average number of detainees in Australian immigration detention centres or facilities was 1307, consistent with 2017–18.</p> <p>This outcome continues to reflect close collaboration with law enforcement agencies to identify non-citizens posing a risk to the community after they have been cleared to enter Australia. The Department and the ABF worked closely with state and territory correction services to identify visa holders serving custodial sentences in Australia and helped remove them at the end of their incarceration.</p>
1.2.4	The Australian community is protected through the engagement with whole-of-government counter-terrorism activities.	<p>Active mitigation of risk of a terrorist incident in Australia through counter-terrorism activities.</p> <p>ABF officers provide counter-terrorism support in all major Australian international air and seaports.</p>	<p>This measure was met.</p> <p>In 2018–19, the Department and the ABF contributed to active mitigation of the risk of a terrorist incident through counter-terrorism activities.</p> <p>100 per cent of intelligence-informed national security alerts were actioned by ABF officers nationally, consistent with 2017–18.</p> <p>Counter-Terrorism Units (CTU) employed up to 120 trained and deployable CTU officers to deal with inbound and outbound national security risks across the national security spectrum.</p> <p>In 2018–19, the number of national security interventions on departing passengers decreased. This is due, in part, to the significant reduction in the number of suspected Australian foreign fighters attempting to leave Australia to engage with conflict overseas.</p>

5. The wording of this key performance indicator has been refined from the version published in the 2018–19 Corporate Plan for clarity. The previous wording was: '100 per cent of non-citizens liable for mandatory visa cancellation, who are serving custodial sentences, have their visas cancelled while in remand.'

6. Subject to outstanding reviews into detention decisions.

			<p>CTU officers:</p> <ul style="list-style-type: none"> • conducted more than 198,000 real-time assessments, a decrease from 230,000 in 2017–18 • assisted with 40 passenger offloads, a decrease from the 55 in 2017–18. <p>CTUs also assisted in detecting more than \$3.6 million in undeclared excess currency, which could be used to fund illicit and terrorism related activities. This is a decrease from the \$4.9 million in 2017–18. This reduction is the result of administrative changes at the border, such as removing the outgoing passenger card. The Department and the ABF continued to detect undeclared excess currency, including through an intelligence informed targeted approach, deliberately planned operations and real-time officer assessments.</p>
1.2.5	Illicit goods are interdicted through a range of targeted and non-targeted activities before, at and after the border.	Increase (in proportion to the volume of goods) in detections identified before and at the border results in a decrease in the number of detected illicit goods that pass the border.	<p>This measure was met.</p> <p>In 2018–19, there were 324,697 detections made of prohibited and restricted goods.⁷ These detections occurred across the cargo, international mail and international passenger environments. This compares to 157,869 detections in 2017–18. The overall increase in detections was led by an increase in tobacco detections.</p> <p>At the border, by weight the ABF detected:</p> <ul style="list-style-type: none"> • 19,440 kg of major illicit drugs and precursor detections in 2018–19 compared to 14,082 kg in 2017–18.⁸ • 633.18 equivalent tonnes of illicit tobacco, an increase from 432.9 equivalent tonnes in 2017–18.
1.2.6	Criminality and non-compliance is detected, deterred and responded to through targeted and non-targeted activities before, at and after the border.	Reduction in the rate of passenger and cargo non-compliance compared to the previous year.	<p>This measure was met.</p> <p>In 2018–19, 240 infringement notices with a value of \$2.13 million were issued in the cargo environment for trade and goods non-compliance. This is a 9.4 per cent decrease from the 265 notices valued at more than \$2 million in 2017–18.</p> <p>In the passenger stream, 174 infringement notices were issued, a decrease from 255 notices in 2017–18.</p> <p>The infringement notices for both passengers and cargo decreased, indicating an increase in trade and travel compliance levels. Inspection levels were consistent with 2017–18.</p>

7. Prohibited and restricted goods refers to detections of: drugs, precursors and NPS; undeclared conventional firearms, parts and accessories; and undeclared tobacco.

8. Data is correct as at 12 August 2019 for the period 1 July 2018 to 30 June 2019. Major illicit drugs and precursors includes all precursors, amphetamine type stimulants, cannabis, cocaine, heroin, and 3, 4-Methylenedioxymethamphetamine (commonly known as ecstasy) detections.

SPM 1.3	Collaboration with the international community enhances our capacity to detect and respond to current and potential threats to Australia and its partners, including terrorism, transnational crime, and maritime security and cyber threats.	Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 26	
KEY PERFORMANCE INDICATOR	MEASUREMENTS	RESULTS	
1.3.1	Engagement with international stakeholders increases the capability to prevent the movement of foreign terrorist fighters and combat transnational, serious and organised crime.	Qualitative assessment of a sample of activities demonstrates positive impact from engagement with partner states on Australian border security.	<p>This measure was met.</p> <p>In 2018–19, the Department regularly engaged with partner states to increase capability in preventing the movement of foreign terrorist fighters and combat transnational, serious and organised crime. This included ongoing discussion and the facilitation of workshops focusing on these threats. The Five Country Ministerial and the Five Eyes Extraordinary Meeting senior officials' sub-forums form a network of key strategic engagements. These cover the national security issues identified and include efforts to counter foreign interference, protect critical infrastructure and manage emerging national security and border threats to Australia.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>Home Affairs and the ABF, in cooperation with Japan Customs and the World Customs Organization (WCO), hosted a regional workshop in Australia. The workshop focused on frontline border capability to deal with terrorist threats at airports.</p> <p>More than 40 officials from the Asia–Pacific region and the WCO participated in the meeting, which resulted in the development of a draft Regional Border Security Cooperation Framework.</p> <p>Home Affairs and the ABF facilitated a Maritime Border Security and Aviation Border Security workshops at the Jakarta Centre for Law Enforcement Cooperation. The workshops facilitated connections between Malaysian and Indonesian maritime, customs and immigration law enforcement agencies to further develop inter-country understanding and collaboration on transnational crime.</p> <p>The Department, the ABF and the International Organization for Migration co-hosted a Border Framework workshop in Baghdad for Iraq border, security and foreign affairs agencies. The workshop focused on strengthening Iraq's border management arrangements, including to prevent the movement of criminal and terrorist actors. The workshop complements long-standing support provided by the Department to support Iraq border capabilities.</p>

1.3.2	Engage with international stakeholders to increase cooperation and information sharing, assisting to secure Australia from groups and individuals involved in terrorism and other forms of transnational, serious and organised crime.	Qualitative assessment of a sample of activities demonstrating impact(s) of cooperation and information-sharing activities on Australian border security.	<p>This measure was met.</p> <p>In 2018–19, the Department and the ABF continued to exchange information with close partners and developed information-sharing arrangements to formalise these exchanges. This enhances border security by assisting the Department to combat groups and individuals involved in terrorism and other forms of transnational and organised crime.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>In January 2019, an Arrangement for the Sharing of Information was signed with Argentina. This arrangement enabled the Department to initiate a Biometrics and Data Exchange Cloud-Based Solution pilot project to:</p> <ul style="list-style-type: none"> • strengthen the integrity of Argentina's visa and immigration services • contribute to identifying persons involved in people smuggling, forced labour, people trafficking or other transnational crime in the region. <p>Home Affairs seeks to expand this project to other Latin American countries to leverage increased regional sharing arrangements.</p> <p>In March 2019, the Department hosted the German Ministry of the Interior to continue discussion by senior officials on intelligence and border management capabilities. This included engagement with the Australian Federal Police and the Australian Criminal Intelligence Commission on systems interoperability.</p> <p>In March 2019, the Department and the ABF hosted Turkish Customs and Trade Officials. The meeting focused on customs enforcement activity and information sharing relating to illicit goods and counter-proliferation. Expertise was also exchanged on profiling and targeting aviation passengers. The visit is expected to lead to increased information exchanges regarding persons of concern and illicit goods.</p> <p>In April 2019, the Department and the ABF co-hosted the Royal Netherlands Marechaussee (KMAR) to examine Australia's border management capabilities and security, including intelligence, biometrics technologies and approaches to countering violent extremism. This resulted in agreement to develop a memorandum of understanding with the KMAR to support future cooperation.</p> <p>In June 2019, the Department of Home Affairs and ABF hosted the United Arab Emirates General Authority of Ports, Borders and Free Zones Security. Information was exchanged on approaches to targeting and profiling people and goods at the border. Visit outcomes included an agreement to enter into an:</p> <ul style="list-style-type: none"> • expanded Memorandum of Understanding that would support broader information exchanges • agreement to establish a joint targeting project focused on transnational, serious and organised crime.
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SPM 1.4 Prevention of transport security incidents in aviation, maritime and offshore oil and gas sectors supports Australia's Economic and social prosperity.		Source: Department of Home Affairs Corporate Plan 2018–19, p. 26	
KEY PERFORMANCE INDICATOR		MEASUREMENTS	RESULTS
1.4.1	Changes to transport security regulations are proportionate to the risk being managed.	Regulatory amendments reflect changes in the risk environment.	<p>This measure was met.</p> <p><i>The Transport Security Legislation Amendment (ASIC and MSIC Measures) Regulations 2018</i> contributes to the Department's management of risk by ensuring that the design and security features of the Australian Securities and Investments Commission (ASIC) and Maritime Security Identification Cards (MSIC) are commensurate with the current security environment and remain resistant to tampering and unauthorised reproduction. The amendments also enhanced ASIC and MSIC⁹ security by removing the card specifications from public access.</p> <p>In 2018–19, the Department also introduced enhanced air-cargo examination requirements, including piece-level screening of internal air cargo, regardless of destination. Implementation was supported by comprehensive industry communications, contingency planning, collaboration with other departments and agencies, and approval of more than 100 businesses as regulated air cargo agents or known consignors.</p> <p>The Department fostered stakeholder readiness through presentations to industry and government forums, trade publications, bilateral meetings, websites, and writing to more than 20,000 export businesses.</p>
1.4.2	Australia meets and influences international standards.	<p>Bilateral and multilateral engagement shapes international standards.</p> <p>Australia receives a compliance score of at least 95 per cent at each five-year international Civil Aviation Organization audit.</p> <p>Transport security in key partners is improved through targeted capacity-building projects.</p>	<p>This measure was met.</p> <p>Australia's aviation security framework is audited by the International Civil Aviation Organization (ICAO) approximately every five years to determine compliance with Annex 17 of the Chicago Convention (aviation security). The last audit was in October 2016, and Australia achieved a compliance rating of more than 95 per cent.¹⁰ The next ICAO security audit is due to be completed in 2021.</p> <p>The Department ensures that Australia plays an active role in shaping global aviation security policies and standards through participation in multilateral security forums, including ICAO's Aviation Security Panel of Experts and High Level Conference on Aviation Security. The Department is also Vice-chair of the ICAO Asia-Pacific Regional Aviation Security Coordination Forum.</p>

9. People with unescorted access to secure areas of security regulated ports, airports or oil and gas facilities are legally required to display a valid ASIC or MSIC card while in those areas. The cards are evidence that the person has undergone a background check.

10. It is an ICAO standard not to release actual results from security audits.

			<p>In 2018–19, the Department delivered 34 targeted capacity building activities in Indonesia, the Philippines, Thailand and Vietnam to improve regional transport security outcomes, an increase from 22 activities delivered in 2017–18. This included the Enhancing Explosive Trace Detection Capability project which delivered training to airport authorities in Bangkok, Denpasar, Ho Chi Minh City, Phuket and Surabaya to enhance skills in explosive trace to meet with new ICAO standards.</p>
1.4.3	<p>Industry entities understand their obligations under the transport security legislation.</p>	<p>The quality of industry submissions improves.</p> <p>Guidance to industry is developed and refined on the basis of information received by the Guidance Centre and campaign recommendations.</p> <p>Timely, informative products on security risks and compliance findings are provided to industry.</p>	<p>This measure was met.</p> <p>In 2018–19, the Department continued to work closely with industry participants to improve understanding of, and compliance with, obligations under transport security legislation.</p> <p>The Department did so by:</p> <ul style="list-style-type: none"> • providing online training and guidance materials • contributing to agency-sponsored industry forums and working groups • ensuring effective administrative decision making, including providing detailed reasons where a submission was refused • responding to enquiries received through the Department's Guidance Centre. <p>Industry guidance continued to be developed and refined based on information received by the Guidance Centre and campaign recommendations.</p> <p>The Guidance Centre received 3480 enquiries in 2018–19, up from 2506 in 2017–18, with 95 per cent of all enquiries resolved in line with internal service delivery targets.</p> <p>In 2018–19, 1422 regulatory submissions were assessed, a 64 per cent increase on 2017–18. A contributing factor to the increase was the increase in the number of entities regulated, reflecting the changing nature of air-cargo regulation.</p> <p>Of the regulatory submissions received, 70 per cent were approved, 22 per cent withdrawn, and 8 per cent refused. This was an increase in refusals compared to 2017–18. The increase in refusals reflects the 35 per cent increase in the number of entities regulated in 2018–19, which resulted in a significant number of entities engaging with the Department (and the regulatory framework) for the first time. The Department expects the quality of submissions from these entities to improve as they become increasingly familiar with the transport security framework.</p> <p>The Department also disseminated transport security risk products to strengthen industry's understanding of current and emerging threats, and to help industry manage risk. Industry feedback indicated these reports were timely and informative.</p>

			<p>The results of the Department's covert testing of security screening officers were shared with the responsible screening authority upon completion of each test. Aggregated data was shared with the System Test Working Group (comprising key industry participants) to promote improvements to training, operating procedures and technology. This, in turn, enhanced compliance and capability in aviation security screening. Industry feedback deemed the engagement to be valuable.</p>
1.4.4	Industry entities comply with their transport security obligations.	<p>All planned compliance activities are conducted.</p> <p>At least 90 per cent of core compliance activities address target areas notified to industry.</p>	<p>This measure was met.</p> <p>In 2018–19, 1553 compliance activities (across all industry segments) were scheduled under the 2018–19 National Compliance Plan, and 100 per cent were carried out. This is consistent with 2017–18, where 1558 core compliance activities were planned and 100 per cent were conducted.</p> <p>100 per cent of compliance activities examined specific target areas for 2018–19 which were:</p> <ul style="list-style-type: none"> • Screening and Clearing • Access Control • Identity Security • Security Management. <p>Completion of compliance activities contribute to the prevention of transport security incidents in aviation, maritime and offshore oil and gas sectors. By identifying target areas and notifying these to industry, the Department promotes voluntary compliance and encourages industry to proactively review their operations.</p>
SPM 1.5	Delivery of national security and transnational, serious and organised crime policies, legislation and programs enhances the capacity to detect and respond to current and potential threats to Australia and its partners.		Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 27
KEY PERFORMANCE INDICATOR		MEASUREMENTS	RESULTS
1.5.1	The whole-of-government response to evolving threats to national security is enhanced by the Department's leadership of policy, legislation and programs, and our work with partner agencies.	Policy, legislation and program outcomes successfully enhance our capacity to respond to national security threats and advance the whole-of-government response.	<p>This measure was met.</p> <p>In 2018–19, the Department completed an extensive program of national security policy advice, program work and legislative change. Policy reforms contributed to enhancing the Department's capacity to respond to national security threats and advance the whole-of-government response.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>The Department effectively delivered the <i>Telecommunications and Other Legislation Amendment (Assistance and Access) Act 2018</i> to create a pathway for industry to deliver assistance to law enforcement and intelligence agencies where necessary. This included working with industry partners to develop practical legislation that would enhance Government and industry collaboration. Following public consultation, the Department reviewed 15,990 public submissions on the legislation and responded to 81 Questions on Notice from the Parliamentary Joint Committee on Intelligence and Security.</p>

			<p>The Department effectively coordinated national responses to crises and emergencies, providing a single point of contact for the public to report possible signs of terrorism. In 2018–19, the National Security Hotline received just under 31,000 calls from the public, and reported 16.4 per cent to police and security agencies for further investigation. This is a slight increase from the 30,700 calls received in 2017–18.</p> <p>The Department also provided advice on current and emerging threats and risks to decision makers across government, issuing more than 4000 routine and incident-specific reports on domestic and international incidents and emergencies, and facilitating 10 meetings of the Australian Government Crisis Committee and National Crisis Committee.</p>
1.5.2	Criminal and anti-money laundering laws and the region's capacity to respond to domestic and regional threats are strengthened.	Policy and legislation outcomes as well as international capability enhance regional security capability and strengthen criminal laws.	<p>This measure was met.</p> <p>In 2018–19, the Department continued to progress policy and legislative work to improve and strengthen Australia's framework for anti-money laundering and counter-terrorism financing.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>The Department successfully delivered the <i>Unexplained Wealth Legislation Amendment Act 2018</i> to give effect to the National Cooperative Scheme on Unexplained Wealth.</p> <p>The Department worked closely with partner countries in the Indo-Pacific region to strengthen policy and legislative frameworks to combat illicit financial flows associated with transnational, serious and organised crime, terrorism and proliferation of weapons of mass destruction.</p> <p>Through the Indo-Pacific Justice and Security Program, the Department trained law and justice officials across the region and worked bilaterally with Indonesia, Mongolia, Pakistan, Sri Lanka, Vanuatu and Vietnam to develop and implement legislation in priority areas, including:</p> <ul style="list-style-type: none"> • money laundering • terrorism financing • proceeds of crime • targeted financial sanctions • mutual legal assistance in criminal matters and extradition. <p>The Department represented Australia at the Financial Action Task Force. Participation allows Australia to contribute to discussions and negotiate outcomes on global anti-money laundering and counter-terrorism financing standards. As part of this work, the Department engaged with industry to strengthen Australia's capability to respond to domestic and regional threats. Australia successfully demonstrated to the Task Force that its terrorism financing offence fully complies with the Task Force's international standards.</p>

1.5.3	Community safety is preserved through developing and implementing initiatives to respond to the evolving threat of transnational, serious and organised crime.	Outcomes of initiatives to respond to transnational, serious and organised crime have tangible intended benefits of reducing transnational, serious and organised crimes and preserving community safety.	<p>This measure was met.</p> <p>In 2018–19, the Council of Australian Governments agreed to the <i>National Strategy to Fight Transnational Serious and Organised Crime (TSOC)</i>. The National Strategy responds to the increasingly complex TSOC threat environment and provides a guiding framework for national efforts to prevent and disrupt TSOC.</p> <p>The National Strategy's governance cornerstone is the Australian Transnational, Serious and Organised Crime Committee, which held its inaugural meeting in April 2019. The Committee established the National Counter TSOC Capability Project to implement the National Strategy. The project will inform counter-TSOC capability investment and maximise national efforts to protect Australia and its people from the harms of TSOC.</p> <p>In conjunction with the Department of Health, we coordinated and developed the <i>Whole-of-Government Drugs Strategy</i>. This contributes to community safety and enhances portfolio agency capacity to detect and respond to threats through initiatives including the:</p> <ul style="list-style-type: none"> • National Anti-Gangs Squad • National Wastewater Drug Monitoring Program • saturation screening at international mail gateways. <p>The Department hosted a Five Eyes Extraordinary Meeting on TSOC in April 2019. This meeting brought together representatives from 21 partner agencies to identify opportunities to collaboratively address TSOC threats.</p> <p>The Department supported a Ministerial Council for Police and Emergency Management and a joint meeting with the Council of Attorneys-General in June 2019. The ministerial meetings brought together police and emergency management ministers from all Australian jurisdictions and New Zealand to identify common priorities, share information and coordinate law enforcement actions to combat transnational, serious and organised crime.</p>
SPM 1.6	Timely, relevant and forward leaning cyber security policy advice, protects and advances Australia's interests online.		Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 28
KEY PERFORMANCE INDICATOR		MEASUREMENTS	RESULTS
1.6.1	Comprehensive policy and strategy are developed through engagement with stakeholders in government and the private sector.	Qualitative assessment demonstrates positive impact of stakeholder consultations on collective cyber security.	<p>This measure was met.</p> <p>In 2018–19, the Department worked closely with stakeholders in government and in the private sector to develop policy and strategy to enhance collective cyber security.</p>

			<p>Examples of activities supporting this measure in 2018–19:</p> <p>The Department conducted electoral cyber security maturity reviews with all Australian Government, and state and territory electoral commissions. Individual reports were prepared for each commission providing a baseline for improvement. The Department consolidated new national relationships with state and territory electoral leads and received positive feedback from jurisdictions on the process. Following individual reports, the Department commissioned a whole-of-nation report on Australia's electoral cyber security maturity.</p> <p>The Department conducted stakeholder consultation with industry and state and territory counterparts through the Boards of the Joint Cyber Security Centres to discuss the effectiveness of the <i>2016 Cyber Security Strategy</i> and inform ongoing cyber policy development.</p> <p>The Department supported the development and endorsement of a bilateral Memorandum of Understanding on cyber security policy cooperation between the Department of Home Affairs and the Israel National Cyber Directorate. The memorandum lays the foundation for ongoing cooperation and collaboration on cyber security policy between Australia and Israel.</p>
1.6.2	The community is protected through leadership and coordination of whole-of-government cyber initiatives.	Active mitigation of risk by identifying and delivering policy initiatives and incident management procedures.	<p>This measure was met.</p> <p>In 2018–19, the Department led and coordinated whole-of-government cyber initiatives to mitigate risk and protect the Australian community.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>The Department worked with all state and territory jurisdictions to develop Australia's first Cyber Incident Management Arrangements for Australian Governments. These were agreed by First Ministers at the Council of Australian Governments and published on the Australian Cyber Security Centre's website—cyber.gov.au</p> <p>The Department coordinated and co-chaired the inaugural meeting of the National Cyber Security Committee (NCSC). This committee supports development of strategic cyber security policy and coordination of emerging issues.</p> <p>The Department convened the NCSC and triggered the Cyber Incident Management Arrangements in response to the cyber incident that involved the Department of Parliamentary Services and compromised Australia's major political parties. This action delivered effective management of this national incident. Support included senior leadership assistance to plan, coordinate and contribute to the whole-of-government response, and provide strategic advice on sensitive matters.</p>

			The Department, in close collaboration with the Department of Foreign Affairs and Trade and the Australian Signals Directorate coordinated Australia's first public attribution of malicious cyber activity to China's Ministry of State Security. The coordinated public announcement garnered significant awareness, and prompted industry briefings to improve cyber security practices of Managed Service Providers and their clients.
SPM 1.7	Delivery of national counter-terrorism policies, legislation and programs enhances our capacity to detect and respond to potential threats to Australia and its partners.	Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 28	
KEY PERFORMANCE INDICATOR		MEASUREMENTS	RESULTS
1.7.1	High quality, innovative and timely advice is provided on counter-terrorism (CT) policy to support the minister, Portfolio Ministers, the Cabinet, Assistant Ministers, the Executive and key stakeholders.	Feedback from Ministers, the Executive and key stakeholders shows a high level of satisfaction with the quality and timeliness of advice and support provided.	<p>This measure was met.</p> <p>In 2018–19, the Department provided high quality and timely advice on counter-terrorism policy to key stakeholders.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>The Department received positive feedback from the Minister's Office on the quality of advice provided under tight timeframes and the ability to deliver high-priority legislation.</p> <p>The <i>Counter-Terrorism Legislation Amendment Act 2018</i> extended the operation of a number of critical counter-terrorism provisions. This includes the control order regime, preventative detention order regime, declared area offences, and stop, search and seize powers. The Department continued to advise the Minister on complex, technical counter-terrorism measures. This contributes to enhancing the capacity of Ministers and the Department's Executive to identify and respond to potential threats to Australia.</p> <p>The <i>Counter-Terrorism (Temporary Exclusion Orders) Bill 2019</i> was introduced into Parliament and was subject to inquiry by the Parliamentary Joint Committee on Intelligence and Security. The Parliamentary Joint Committee made a bipartisan recommendation that the Bill be passed.</p>
1.7.2	Strategic advice, leadership and coordination of Australia's policy, legislative and operational response are provided across the full spectrum of counter-terrorism activities both domestically and internationally.	Feedback from agencies shows a high level of satisfaction with the quality and timeliness of advice, support and coordination provided.	<p>This measure was met.</p> <p>In 2018–19, the Department continued to coordinate Australia's strategic, policy and operational approach to counter-terrorism activities. The Department received positive feedback from ministerial offices and other agencies on the advice, leadership and briefing provided.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>The Department led the coordination of whole-of-government operational and policy response to the terrorist attack in Bourke Street in November 2018.</p>

			<p>This included bringing together the Australia–New Zealand Counter-Terrorism Committee (ANZCTC) members to share information, producing and distributing regular situation reports for whole-of-government partners and ministerial offices, and responding to media queries. The Department supported ministerial discussions in the wake of the attack, including with Islamic community leaders, and took the opportunity to review Australian Government legislative and policy settings.</p> <p>The Department also led the coordination of the whole-of-government response to assist New Zealand authorities in the response to, and investigation of, the Christchurch terrorist attack in March 2019.</p> <p>The Department pursued demand-driven capacity building activities in Indonesia to strengthen Indonesia’s ability to respond to terrorist threats and enhance security across the region. This included co-delivering a workshop in Sumatra, in partnership with the United States Department of Justice. The workshop was designed to enhance the capacity of Indonesian prosecutors to investigate and prosecute complex terrorism cases. Evaluation survey results suggest that participants derived skills from the program which they could use to carry out their counter-terrorism duties. The Department’s approach to bespoke, highly relevant capacity building programs continues to strengthen our reputation as a partner of choice in the region and drive requests for more assistance.</p>
1.7.3	The Australia’s Counter-Terrorism Strategy is evaluated and implemented through the Department’s leadership.	Qualitative assessment of a sample of activities using case studies, independent panels or providers.	<p>This measure was met.</p> <p>In 2018–19, the Department continued to progress <i>Australia’s Counter-Terrorism Strategy</i>. The Department leads the implementation of the strategy and ensures continuous evaluation of its strategic priorities.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>In 2018–19, the Department conducted its annual survey of ANZCTC members on the efficacy of the Council of Australian Governments-endorsed Counter Terrorism Strategy. Responses were received from all jurisdictions and were subject to discussion at ANZCTC in May 2019. This allowed for a nation-wide consideration of the strategy, including on whether it remained suitable in the current threat environment.</p> <p>In 2018–19, the Department continued to support progress under <i>Australia’s Strategy for the Protection of Crowded Places from Terrorism</i>. On 31 May, ANZCTC agreed to additional measures to build further momentum of the strategy.</p>

			<p><i>Australia's Counter-Terrorism Strategy</i> sets out six counter-terrorism missions. These missions are evaluated annually to ensure that the Department is meeting strategic priorities. The annual evaluation concluded that the focus of Australian Government agencies should include developing nationally consistent operational, policy and regulatory frameworks.</p>
1.7.4	<p>Facilitative operational coordination is provided and capability built on Counter-Terrorism matters through engagement with Australian agencies, including across jurisdictions and with international partners</p>	<p>Responses to requests for information, capacity-building and coordination are delivered within the agreed timelines.</p> <p>Feedback from the international partners, including the Australia-New Zealand Counter-Terrorism Committee and the Joint Counter-Terrorism Board, demonstrates a high level of satisfaction with the timeliness, value and accuracy of the functions delivered.</p>	<p>This measure was met.</p> <p>In 2018–19, the Department continued to lead key Counter-Terrorism governance structures, including the Australian Government's counter-terrorism architecture and the ANZCTC. Relevant agencies continue to engage and collaborate constructively through these forums.</p> <p>The Department supported four ANZCTC meetings, 14 sub-committee meetings, and approximately 180 ANZCTC capability-development activities. These were successfully delivered within agreed timeframes, to the satisfaction of ANZCTC members.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>The Department continues to procure specialist equipment on behalf of police services nationally to strengthen counter-terrorism capabilities across Australia. In 2018–19, the Department focused on improving police tactical response time, bomb-scene examination, and sensitive policing capabilities. This occurred within agreed timeframes.</p> <p>The Department supported the ANZCTC's consideration of responses to deal with the emerging threat of remotely piloted aircraft systems (RPAS) presented to ANZCTC, the outcome of its Counter-RPAS Policy Sprint. Australian Government and state and territory law enforcement agencies are using Policy Sprint findings to develop a national interim counter-RPAS capability.</p>
1.7.5	<p>State and territory police receive increased Defence Counter-Terrorism support through the Department's assistance with coordination.</p>	<p>Operational review projects are delivered within the agreed timeframes and help continuous improvement of Counter-Terrorism response.</p>	<p>This measure was met.</p> <p>In 2018–19, the Department coordinated ANZCTC-agreed activities to facilitate state and territory access to Defence support.</p> <p>This included co-designing and supporting the delivery of the ANZCTC Exercise Aftermath, which focused on operational command and other issues surrounding changes to Australian Defence Force call out under Part IIIA of the <i>Defence Act 1903</i>. This project—delivered on time by 30 June 2019—increased understanding between Defence and state and territory police of the practical aspects of the Defence call out.</p> <p>As part of a broader review, the Department coordinated updates to Defence references in the National Counter-Terrorism Handbook and associated guidance materials.</p>

SPM 1.8	Provision of national leadership in emergency management reduces the impact of disasters on Australian communities.	Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 29	
KEY PERFORMANCE INDICATOR	MEASUREMENTS	RESULTS	
1.8.1	Disaster assistance requested of Emergency Management Australia is approved effectively and efficiently.	Requests approved within six hours of an agreed request being received.	<p>This measure was met.</p> <p>In 2018–19, the Department received 15 requests for domestic disaster assistance, an increase from four requests in 2017–18. Fourteen of the 15 requests for assistance were approved within six hours of being received. The remaining request was not approved in the six hour timeframe because of external factors outside the Department’s control and was subsequently withdrawn by the requesting agency. In 2017–18, all requests for assistance were approved within six hours.</p> <p>The Department responded to requests for assistance from Queensland, Tasmania, Victoria and Western Australia for major bushfires, Queensland for unprecedented flooding, and Queensland, Northern Territory and Western Australia for severe Tropical Cyclones.</p> <p>The Department also supported Australia’s Department of Foreign Affairs and Trade-led international disaster assistance efforts by coordinating specialist state-managed emergency response capabilities. In 2018–19, the Department supported five international disaster assistance deployments, facilitating urban search and rescue, and providing medical assistance teams to the Thailand cave rescue, Greece wildfires, Lombok earthquake, Sulawesi earthquake/tsunami and an oil tanker spill in the Solomon Islands.</p>
1.8.2	Advice on Commonwealth only Disaster Recovery Payments (Disaster Recovery Payment and Disaster Recovery Allowance) is provided effectively and efficiently.	Following completion of assessment and verification of impact data, advice is provided to Government within 48 hours.	<p>This measure was met.</p> <p>In 2018–19, the Disaster Recovery Payment and the Disaster Recovery Allowance were activated to assist individuals affected by flooding in North and Far North Queensland from late January 2019 onwards and bushfires in Northern New South Wales in February 2019.</p> <p>In addition, Disaster Recovery Allowance was activated for bushfires in Tasmania from December 2018.</p> <p>In all cases, the Department advised the Australian Government within 48 hours of completing an assessment and verifying impact data.</p> <p>In 2018–19, \$120.56 million in Commonwealth only disaster recovery payments were made to individuals and families. This demonstrates the severity of events that occurred in 2018–19.</p>

1.8.3	Advice on activation of Category C and Category D measures under the Natural Disaster Relief and Recovery Arrangements is provided effectively and efficiently.	Following receipt of completed application from the state or territory government and the confirmation of all data, advice is provided to Government within 72 hours.	<p>This measure was met.</p> <p>In 2018–19, the Department assessed the following state assistance requests under Categories C¹¹ and D¹² of the Disaster Recovery Funding Arrangements:</p> <ul style="list-style-type: none"> • 2 Category C requests from Tasmania • 3 Category D requests from Tasmania • 4 Category C requests from Queensland • 3 Category D requests from Queensland. <p>In 2017–18, five requests under Category C and D were received.</p> <p>In all 12 cases in 2018–19, the Department provided advice to the Australian Government within 72 hours after completing an assessment and verifying impact data. For example, the Department advised the Australian Government within 48 hours of receiving an application relating to the Central Queensland Bushfires in November and December 2018. This facilitated approval of a \$12.042 million Category C Community Recovery Fund by the Prime Minister three days after the Queensland Premier made the request.</p>
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SPM 1.9	Australia's critical infrastructure is safe from the national security risks of sabotage, espionage and coercion.	Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 29
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KEY PERFORMANCE INDICATOR	MEASUREMENTS	RESULTS
1.9.1	Effectively implement the <i>Security of Critical Infrastructure Act 2018</i> .	<p>This measure was met.</p> <p>In 2018–19, the Department worked with industry and states and territories to improve their understanding and awareness of obligations under the <i>Security of Critical Infrastructure Act 2018</i> (SOCl). Effective from July 2018, SOCl introduced key measures to protect assets in the electricity, water, gas and ports sectors from espionage, sabotage and foreign interference.</p> <p>The Department:</p> <ul style="list-style-type: none"> • answered 350 enquiries from 190 entities • published six new factsheets on the Home Affairs website, and updated six existing factsheets • received 500 official submissions (309 from direct interest holders and 191 from responsible entities) • received 65 official forms advising of changes to existing registrations. <p>This contributed to improving industry awareness and understanding of SOCl requirements, which, in turn, enabled high rates of industry compliance.</p>

11. Category C requests relate to 'a community recovery package designed to support a holistic approach to the recovery of regions, communities or sectors severely affected by an eligible disaster'.

12. Category D requests relate to 'an act of relief or recovery carried out to alleviate distress or damage in circumstances which are, in the opinion of the Commonwealth, exceptional'.

			Entities captured by SOCI are required to provide operational and ownership details to the Register of Critical Infrastructure Assets managed by the Department. The Department continues to work with entities to ensure that information on the Register remains current.
1.9.2	Effectively implement the <i>Telecommunications Sector Security Reforms</i> . ¹³	<p>Process the notifications received in the specified timeframes.</p> <p>Utilise notification obligations, information-gathering power and directions powers as necessary.</p> <p>Undertake risk assessments to support whole-of-government decision-making and risk mitigation activities.</p> <p>Assess national security risks arising from foreign investment and provide that advice to Treasury¹⁴.</p>	<p>This measure was met.</p> <p>In 2018–19, the Department worked with telecommunications carriers and service providers to improve their understanding of, and compliance with, the Telecommunication Sector Security (TSS) reforms to Part 14 of the <i>Telecommunications Act 1997</i>.</p> <p>Effective 18 September 2018, the TSS reforms require carriers and nominated carriage service providers to notify the Department of proposed changes to their telecommunications networks and services that may affect their capacity to protect their networks and facilities from unauthorised interference and unauthorised access.</p> <p>The Department:</p> <ul style="list-style-type: none"> • answered 37 enquiries about the TSS reforms • received 34 notifications under Subsection 314A(3) • received one application under Subsection 314A(5A) for an exemption from the notification obligation. <p>All notifications were assessed within the statutory timeframe (30 calendar days for notifications and 60 calendar days for notification exemption requests).</p> <p>The average time the Department took to respond to, or request further information on, a notified change was 22 calendar days. The average number of days the Department took to respond once further information was provided was 27 calendar days.</p> <p>The Department required more information about 16 notified changes, which was 47 per cent of all notifications received.</p> <p>The Department continued to engage with the telecommunications industry on TSS reforms. We engaged with regulated entities on 48 occasions in 2018–19 to discuss issues relating to the reforms, including how to comply with their security and notification obligations under TSS reforms, and advise on upcoming telecommunications projects.</p> <p>The Department works closely with regulated entities to implement mitigations that will treat the risks identified in their notifications.</p> <p>The information gathering and ministerial directions powers under Part 14 of the TSS reforms were not used in 2018–19.</p>

13. The wording of this key performance indicator has been corrected from the version published in the 2018–19 *Corporate Plan* to address a typographical error. The previous wording was: 'Effectively implement the *Telecommunication Sector Security Reforms Act 2017*.'

14. National security risks arising from foreign investment are reported on under Key performance indicator 1.9.3.

1.9.3	<p>Industry improves its understanding of security risks and responds in order to build resilience.</p>	<p>Increase the number of partnerships with critical infrastructure owners and operators through the Trusted Information Sharing Network and other engagement mechanisms.</p> <p>Continue to develop national security risk assessments and security advice.</p> <p>Assess national security risks arising from foreign investment and provide that advice to Treasury.</p>	<p>This measure was met.</p> <p>In 2018–19, the Department engaged with 452 members across all eight critical infrastructure sectors, compared to approximately 335 members in 2017–18.</p> <p>The Cross Sector Forum held by the Department in November 2018 was the first time all sectors came together to discuss cross-sector dependencies.</p> <p>In 2018–19, the Department also:</p> <ul style="list-style-type: none"> • hosted a meeting of the Critical Infrastructure Advisory Council and the Resilience Experts Advisory Group • completed research into the national architecture of disaster response from a critical infrastructure perspective • published resilience guidance developed by the Resilience Experts Advisory Group • hosted a masterclass on organisational resilience attended by various Trusted Information Sharing Network members. <p>In addition to TSS Reforms, the Department undertakes national security risk assessments referred by the Foreign Investment Review Board (FIRB) and Northern Australia Infrastructure Facility (NAIF). In 2018–19, the Department completed 322 national security risk assessments of varying degrees of complexity under these referral frameworks, an increase of 80 risk assessments from the 242 completed in 2017–18.</p> <p>The outcome of FIRB risk assessments, including conditions recommended to mitigate identified risks, are provided to the Treasury, and contribute to the FIRB decision-making process. NAIF risk assessments completed by the Department are provided back to NAIF for decision making.</p>
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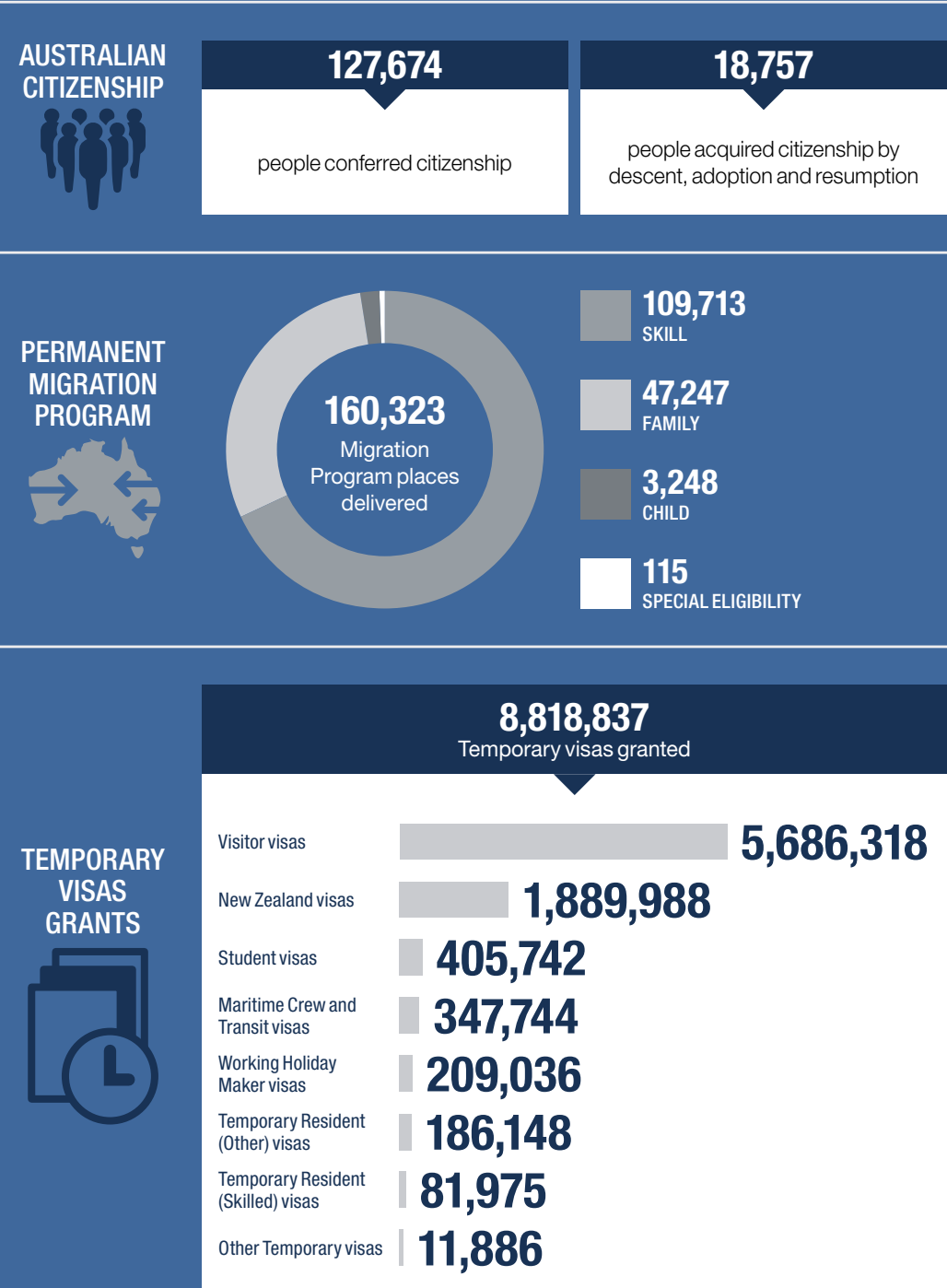
PURPOSE 2: PROMOTE RESPONSIVE MIGRATION

Table 5: Purpose 2—Performance criteria

Home Affairs Corporate Plan 2018–19, Strategic Performance Measures	PURPOSE 2 Promote responsive migration	
	Strategic Performance Measure 2.1	Immigration, citizenship and multiculturalism supports an open, prosperous and socially cohesive Australia.
	Strategic Performance Measure 2.2	Provision of orderly and planned humanitarian pathways contributes to the global management of refugees and displaced persons.
	Strategic Performance Measure 2.3	Facilitation of legitimate travel, streamlined visa and citizenship processing and the provision of advice promotes seamless client access.
	Strategic Performance Measure 2.4	Collaboration with the international community contributes to the global effort to provide international protection, facilitates legitimate travel, and deters the unauthorised movement of people across the border continuum.
	Strategic Performance Measure 2.5	Effective regulatory, status resolution, enforcement and detention activities promote program integrity, compliance and timely status outcomes at the lowest cost to Government.

Purpose 2: At a glance 2018–19

Figure 7: Purpose 2—At a glance 2018–19



PURPOSE 2—PROMOTE RESPONSIVE MIGRATION

Analysis of performance against Purpose 2

People movement globally is higher than at any time in history, and the International Air Transport Association predicts global passenger numbers will continue to increase. In 2018–19, Australia continued to experience this trend, with the country continuing to be a highly desirable travel, study and permanent migration destination.

A record 8.8 million temporary visas were issued by the Department in 2018–19, up from 8.7 million in 2017–18, demonstrating that Australia's visa settings continue to prove attractive and competitive. The Department also finalised 160,323 permanent visas within the Migration Program ceiling of the 190,000 set by the Government.

Benefits particularly for regional Australia include a 44 per cent increase in grants under the Regional Skilled Migration Scheme and the establishment of seven Designated Area Migration Agreements (DAMAs). DAMAs are used to provide tailored solutions to regions where there are skills gaps and shortages that cannot be met by Australian workers.

To facilitate legitimate travel and migration, the Department continued to improve its systems. This saw online lodgement rates increase across all visa types, with 95 per cent of all visa applications lodged electronically in 2018–19, up 5 per cent from 2017–18. Online electronic lodgement of applications for citizenship by conferral were up 5.2 per cent compared to 2017–18. The launch of new Departmental and ABF websites saw increased usage, and a reduction of more than 50 per cent in complaints related to these websites.

A growing number of travellers arriving and departing Australia had access to SmartGates for immigration clearance. Of inbound travellers, 85 per cent were eligible to use SmartGates, an increase of six per cent from 2017–18. In departures, 100 per cent of outbound travellers were eligible to use SmartGates in 2018–19.

In 2018–19, the Department managed the movement and stay of people in Australia through its risk-based, intelligence-informed regulatory and enforcement activities. This approach continued to strengthen the integrity of Australia's visa programs, placing the safety and security of the Australian community at the forefront of the Department's agenda. In 2018–19, more than 99 per cent of temporary entrants remained lawful, consistent with 2017–18.

Along with the increase in people movement, increased flows of displaced people and irregular migration continues to present challenges throughout the world. The Department continued to engage with partner states to support and strengthen practical cooperation on refugee protection and international migration. This included Home Affairs engagement in the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime. Home Affairs supports whole of government efforts in the Bali Process by funding the Regional Support Office to the Bali Process, as well as a seconded Home Affairs co-manager and various activities, including working groups and events that promote regional security in the Indo-Pacific region.

Consistent with regional processing arrangements, Australia remained committed to working with partners to resolve the regional processing caseload through resettlement, returns and removals and by contributing to global resettlement. As irregular migration increases globally, attempts to enter Australia illegally by sea and by air will grow. The need to manage migration would heighten if unforeseen shocks caused sudden people movements in the region.

In 2018–19, the Department focused on ensuring that Australia's humanitarian pathways were orderly and robust to safeguard the integrity of the Humanitarian Program. These planned pathways ensure the Department supports those most in need. They are consistent with international commitments to promote peace and stability. In 2018–19, the Government increased the Humanitarian Program ceiling to 18,750 places from 16,250 in 2017–18. The program was fully delivered, with 18,762 visas granted. This comprised 17,112 visas delivered under the offshore component¹⁵, and 1650 visas delivered under the onshore component.¹⁶

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

15. Where applicants are outside Australia at time of application lodgement.

16. Where applicants are in Australia at time of applying.

Table 6: Purpose 2—Performance information

SPM 2.1	Immigration and citizenship programmes support the Australian economy and strengthen social cohesion.	Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 30	
KEY PERFORMANCE INDICATOR	MEASUREMENTS	RESULTS	
2.1.1	<p>Visa programs have community confidence and effectively identify and allow entry to people with relevant qualifications, skills or experience to complement, support or enhance Australia's economic and fiscal sustainability.</p>	<p>Visa program reduces identified skill shortages compared with the previous year.</p> <p>Labour market outcomes of surveyed migrants 18 months after arrival/ visa grant as reported in the Continuous Survey of Australian Migrants:</p> <ul style="list-style-type: none"> • employed >70 per cent • unemployed <10 per cent • not in the labour force <20 per cent. 	<p>This measure was met.</p> <p>In 2018–19, the Department updated the occupation lists for skilled migration. The revised list reflects government priorities and advice provided by the Department of Jobs and Small Business. The occupation list continues to contribute to reducing identified skill shortages by better targeting occupation and delivering overseas workers to occupations with identified skill shortages.</p> <p>In addition, during the 2018 calendar year the Continuous Survey of Australia's Migrants¹⁷ outcomes exceeded targets:</p> <ul style="list-style-type: none"> • 77.5 per cent of surveyed migrants were employed at the 18-month stage of settlement, an increase from 76.2 per cent in 2017 • 6.4 per cent were unemployed, consistent with 2017 • 16.4 per cent were not in the labour force, a slight decrease from 17.4 per cent in 2017.
2.1.2	<p>Consult relevant community, government and industry stakeholders in development of immigration, trade and customs policy.</p>	<p>Qualitative assessment demonstrates positive impact of stakeholder consultations (including the Industry Summit and annual consultations on the Migration and Humanitarian Programs) on policy development and implementation.</p>	<p>This measure was met.</p> <p>In 2018–19, the Department engaged regularly across government, industry and the community to inform the development and delivery of immigration, trade and customs policy.</p> <p>The Department has long-standing consultative fora across the tourism, international education and skilled migration sectors. This facilitates regular engagement with Australian Government and state and territory governments, as well as non-government stakeholders, to inform relevant policy settings and delivery.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <ul style="list-style-type: none"> • To inform annual Migration Program and Humanitarian Program compositions, the Department conducted four roundtable consultations involving 76 community and organisational representatives, and held 20 advisory council meetings. The feedback provided through these engagements is considered when designing policy settings and providing advice to the Australian Government. • The Department engaged in a range of stakeholder conferences. This included providing panel representatives for the Migration Institute of Australia and Law Council of Australia annual events.

17. The survey sample size for all surveyed migrants is approximately 11,100 people and is comprised of adult Skill stream primary applicant migrants, their migrating partners and Family stream Partner visa migrants

			As a result of these interactions, the Department built good will and solidified existing, mutually beneficial relationships with key stakeholders in the migration advice industry. The Department's interactions with these stakeholders provides a valuable conduit into the industry that assists in informing policy direction and delivery.
2.1.3	Visa program settings minimise unreasonable fiscal burden and enable efficient, effective and secure entry to enhance Australia's international competitiveness.	Benchmark against comparable countries with demand-driven programs to determine Australia's international competitiveness increases.	<p>This measure was met.</p> <p>In 2018–19, Australia's visa program balances the Government's primary concerns of encouraging Australia's competitiveness as a destination for tourism while maintaining strong borders and safeguarding national security. In 2018–19, 8.8 million temporary visas were granted, an increase from 8.7 million granted in 2017–18.</p> <p>In comparison to benchmark markets¹⁸, Australia offers comparable visa processing times—75 per cent of visitor visa including Electronic Travel Authority applications were processed within five days in 2018–19, a slight increase over the four days in 2017–18. A comparison of fees against benchmark markets indicated that Australia's visa application charge of \$140 is one of the lower charges for Visitor visas.</p> <p>The Department continues to improve the efficiency of Australia's visa program. In 2018–19, the online visa lodgement process reduced red tape and improved Australia's international competitiveness to increase its visa intake. Australia's approach to online visa lodgements is consistent with Canada, New Zealand, the United Kingdom and the United States.</p> <p>As an example of Australia's international competitiveness, which is facilitated by accessible and quick visa processing, Australia is the third most popular destination for international tertiary students. On 30 June 2019, there were 553,139 Student visa holders onshore, roughly two per cent of Australia's population and one of the highest rates in any Organisation for Economic Co-operation and Development country.¹⁹</p>
2.1.4	Visa and Citizenship Programs are designed to support harmonious communities to participate and contribute to society and good order.	High social cohesion is reported from the results of national surveys by the Scanlon Foundation 'Mapping Social Cohesion' and the annual Lowy Institute Poll.	<p>This measure was partially met.</p> <p>The Scanlon-Monash Index of Social Cohesion (SMI) is an annual measure of social cohesion in Australia. The index score for the most recent SMI taken in 2018, was 89.7²⁰, an increase of 1.2 index points from 88.5 in 2017.</p> <p>The Scanlon Foundation Mapping Social Cohesion report considers the effect of acceptance of immigration and cultural diversity on key indicators of social cohesion. The 2018 report found that 43 per cent of respondents believed the 'number of immigrants accepted into Australia' is 'too high'. This was a significant increase from 37 per cent in 2017.</p>

18. Benchmark markets include the Canada, New Zealand, Schengen Group, United Kingdom and the United States.

19. Source: *OECD, Education at a Glance 2018*, p. 228.

20. www.scanlonfoundation.org.au/wp-content/uploads/2018/12/Social-Cohesion-2018-report-26-Nov.pdf

			<p>The proportion of respondents saying that the 'number of immigrants accepted into Australia is 'about right' was 35 per cent in 2018, a decrease from 40 per cent in 2017. The same report, however, also found that 82 per cent of respondents believed that 'immigrants improve Australian society by bringing new ideas and cultures' and 80 per cent agreed that 'immigrants are generally good for Australia's economy'.</p> <p>The 2019 Lowy Institute Poll found that 47 per cent of respondents say the 'total number of migrants coming to Australia each year is too high'.²¹ This was a decrease from 54 per cent in 2018.</p> <p>The poll also found a majority (67 per cent) of Australians agree that 'overall, immigration has a positive impact on the economy'.</p> <p>These results demonstrate the complexity of public opinion towards immigration and the close relationship between immigration and social cohesion.</p>
2.1.5	The Department contributes to social cohesion through initiatives and policies that help build united, strong and successful communities.	<p>Extent of contribution to implementing national initiatives, including:</p> <p>Positive community engagement in Harmony Day events</p> <p>Continued progress of whole-of-government implementation of the Multicultural Access and Equity policy</p> <p>Re-establishment of the Australian Multicultural Council.</p>	<p>This measure was met.</p> <p>In 2018–19, the Department continued to conduct a number of initiatives nationally to support strong and successful communities.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <ul style="list-style-type: none"> • The Department celebrated Harmony Day 2019, this included the introduction of week-long celebrations in recognition of the 20th anniversary of Harmony Day. Harmony Week promoted messages of Australian values, social cohesion, integration and belonging. In 2019, more than 2900 Harmony events were registered through the Department's Harmony Week website including a number of citizenship ceremonies. This compares to 3400 events registered in 2018, reflecting the potential consolidation of some Harmony events. • The Department led the development of the cross-portfolio Fostering Inclusion Grants package. The package aims to support social cohesion initiatives that foster belonging and break down barriers to economic participation. The grants support migrants to develop skills and cultural competencies to integrate into Australian social, economic and civil life, and build community resilience. 225 organisations have been awarded grants valued at \$9.3 million contributing to increased economic participation and aiding a socially cohesive society.

21. [lowyinstitute-poll.lowyinstitute.org/files/lowyinstitute-poll-2019.pdf](https://www.lowyinstitute.org/files/lowyinstitute-poll-2019.pdf)

			<ul style="list-style-type: none"> The Australian Multicultural Council is a ministerially appointed body that provides independent advice to the Australian Government on multicultural affairs and social cohesion. In 2018–19, the Council announced new membership and held its inaugural meeting. The Council subsequently held three meetings in the reporting period with the Minister for Immigration, Citizenship and Multicultural Affairs providing advice on a range of multicultural policy and social cohesion issues. During 2018–19, the <i>2018–19 Access and Equity Report</i> was presented to the Australian Multicultural Council. The report included input from Australian Government agencies, demonstrating concerted effort to improve social cohesion across government.
SPM 2.2	Provision of orderly and planned humanitarian pathways contributes to the global management of refugees and displaced persons.	Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 31	
KEY PERFORMANCE INDICATOR		MEASUREMENTS	RESULTS
2.2.1	The Humanitarian Program is planned and delivered using the best available contemporary information.	The Humanitarian Program is delivered in accordance with priorities and informed by program parameters set by the Government.	<p>This measure was met.</p> <p>In 2018–19, the Government increased the Humanitarian Program to 18,750 places, from 16,250 in 2017–18. The program was delivered, with 18,762 visas granted. This comprised 17,112 visas delivered under the offshore component²² and 1650 visas under the onshore component.²³</p> <p>In 2018–19, the offshore component comprised 9451 visas granted under the Refugee category, an increase from 7909 in 2017–18. Another 7661 visas were granted under the Special Humanitarian category, an increase from 6916 in 2017–18. The offshore program intake was drawn from Africa, Asia, the Middle East and South and Central America in the proportions set by the Australian Government. The Government supported more humanitarian entrants (39 per cent) to settle in regional areas of Australia.</p> <p>The increased target of 15 per cent of the offshore program grants allocated for women and children at risk was exceeded, with 2947 visas granted (17 per cent), an increase from 2126 in 2017–18. 563 Community Support Program grants were delivered. All places not utilised from the indicative program allocation were filled through the Special Humanitarian Program.</p>
2.2.2	Primary decisions made in the Illegal Maritime Arrivals (IMA) legacy caseload leverage contemporary country information and relevant integrity verifications.	IMA legacy caseload resolutions are reviewed by the Department through quality control and assurance processes.	<p>This measure was met.</p> <p>In 2018–19, the Department continued to undertake quality control and quality assurance measures across the IMA Legacy Caseload to ensure robust, high-quality decision making by the Department.</p>

22. Where applicants are outside Australia at time of application lodgement.

23. Where applicants are in Australia at time of applying.

			<p>Quality control checks are undertaken on samples to ensure the Department continues to make accurate decisions. In 2018–19 checks were conducted on 22 per cent of the caseload, exceeding the required four per cent under the Department's Humanitarian Program Quality Management Framework</p> <p>Any corrections required during processing were addressed prior to the decision being finalised.</p> <p>All cases undergo integrity verification throughout the visa consideration process. Quality assurance activities were also undertaken on key topics and decisions remitted to the Department by merit review bodies and/or the courts. These were analysed and incorporated into officer training or guidance material as appropriate.</p>
2.2.3	Temporary Protection Visa and Safe Haven Enterprise Visa holders are informed of the need to reapply before the expiry of their visas.	<p>Outreach to affected communities and stakeholders.</p> <p>Products in languages that guide the reapplication process are developed and published.</p>	<p>This measure was met.</p> <p>In 2018–19, the Department undertook a significant communication campaign to notify Temporary Protection visa (TPV) holders of the need to reapply for a subsequent TPV or Safe Haven Enterprise visa (SHEV) before their visa expired. This included:</p> <ul style="list-style-type: none"> • notifying affected visa holders in writing of their upcoming visa expiry • engaging a Culturally and Linguistically Diverse Agency to undertake multicultural community and media engagement to promote messages about the need to apply for a subsequent visa before the current visa expired • sending visa cessation reminders directly to TPV holders via email and/or Short Message Services (SMS) in the months and weeks before visa expiry • posting information on applying for a subsequent Temporary Protection visa on the Department's website, including fact sheets and instructional videos translated into the top eight community languages—Arabic, Burmese, Dari, Farsi, Pashto, Rohingya, Tamil and Vietnamese. <p>Direct communication activities with SHEV holders will begin in 2019–20, as the first SHEVs will cease in October 2020 (SHEVs were introduced in 2015 and are valid for five years).</p>
2.2.4	Strategies that maintain the integrity of Australia's onshore protection program are implemented.	Enhance program monitoring arrangements to identify emerging caseloads of concern and implement appropriate treatments.	<p>This measure was met.</p> <p>Emerging caseloads of concern are identified through regular analysis and reporting. Prevention controls and consequence mitigation strategies inform how the Department processes claims.</p> <p>In 2018–19, the Department and the ABF continued to actively work to detect, disrupt and respond to fraud and other attempts to undermine the integrity of Australia's immigration programs. This included:</p> <ul style="list-style-type: none"> • intelligence-informed support for visa decision makers and ABF officers along the border continuum

			<ul style="list-style-type: none"> • engaging with international and Australian stakeholders on the misuse of Australia's immigration system • disrupting non-genuine travellers • targeting of facilitators and intermediaries. <p>In 2018–19, the Department received 24,566 Permanent Protection visa applications, a decrease from 27,931 in 2017–18. Of the 14,699 protection visa decisions made in 2018–19, 88.8 per cent were refusals.</p>
2.2.5	Community Support Program is established and embedded.	<p>Establish a network of Approved Proposing Organisations.</p> <p>Develop a framework to monitor entrants and baseline the proportion of entrants working in the first 12 months.</p>	<p>This measure was met.</p> <p>In 2018–19, a network of 12 Approved Proposing Organisations (APOs), with coverage across Australia, actively participated in the Community Support Program (CSP).</p> <p>APOs are responsible for securing employment for the primary visa applicant, managing the visa application lodgement process and overseeing the settlement of CSP entrants in Australia.</p> <p>In 2018–19, the Department developed a reporting framework to monitor the settlement of entrants under the CSP. The framework began to capture information on employment, housing, physical and mental health, community participation, transport, English language and education.</p>
SPM 2.3	Facilitation of legitimate travel, streamlined visa and citizenship processing and the provision of advice promotes seamless client access.		Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 32
KEY PERFORMANCE INDICATOR		MEASUREMENTS	RESULTS
2.3.1	High quality information and self-service channels are provided to facilitate travel and reduce client service costs.	<p>Analysis of website usage and client feedback demonstrates the user experience is improving.</p> <p>Increase in the number (in proportion to the volume) of travellers who are eligible to use SmartGates at Australian airports.</p>	<p>This measure was met.</p> <p>In 2018–19, the Home Affairs Portfolio website was redesigned and split into three websites:</p> <ul style="list-style-type: none"> • homeaffairs.gov.au • immi.homeaffairs.gov.au • abf.gov.au <p>The redesign was based on user experience research, including a survey of more than 35,000 visa and citizenship clients around the world, to understand their needs and expectations.</p> <p>The user-centred design has improved client self-service channels, providing clearer pathways to online application options and resulting in an increase in applications lodged through ImmiAccount.</p> <p>In 2018–19, 33.8 million users visited the three websites, an increase from 28.3 million visitors in 2017–18. At the same time, formal complaints regarding the websites have decreased by 53 per cent, indicating that the user experience is improving.</p>

			<p>Consistent with 2017–18, travellers from 28 countries were eligible to use SmartGates in 2018–19. 85 per cent of inbound travellers were eligible to use SmartGates, a six per cent increase over the 79 per cent of inbound travellers eligible in 2017–18. Of these inbound travellers, 58 per cent used SmartGates, compared to the 59 per cent in 2017–18.</p> <p>100 per cent of outbound travellers were eligible to use SmartGates in 2018–19, consistent with 2017–18. Of these outbound travellers, 76 per cent used SmartGates, compared to the 57 per cent in 2017–18.</p>
2.3.2	<p>Visa and citizenship processing are streamlined using a risk management approach.</p>	<p>Expanded accessibility to online visa lodgement for applicants.</p> <p>An increase in the take-up rate for online visa and citizenship lodgement compared with the previous year.</p>	<p>This measure was met.</p> <p>In 2018–19, 5 million forms²⁴ were lodged online an increase from 4.7 million in 2017–18. This increase resulted from the Department's continued enhancement of online lodgement services, which increased accessibility and useability.</p> <p>In 2018–19, the take-up rate for online visa and citizenship lodgement increased compared with 2017–18:</p> <ul style="list-style-type: none"> • 76.8 per cent of Australian citizenship by conferral applications were lodged online, an increase from 71.6 per cent in 2017–18 • 95 per cent of all visa applications were lodged electronically, up by five per cent from 2017–18, with high take up in China and India, two of Australia's largest tourism and international education markets • 94.3 per cent of permanent visa applications were lodged online, up 4.2 per cent from 2017–18.
SPM 2.4	<p>Collaboration with the international community contributes to the global effort to provide international protection, facilitates legitimate travel, and deters the unauthorised movement of people across the border continuum.</p>		<p>Source: <i>Department of Home Affairs Corporate Plan 2018–19</i>, p. 32</p>
KEY PERFORMANCE INDICATOR		MEASUREMENTS	RESULTS
2.4.1	<p>Legitimate travel is facilitated through engagement with international stakeholders to increase capability.</p>	<p>Qualitative assessment demonstrates positive impact of engagement with partner states on travel facilitation.</p>	<p>This measure was met.</p> <p>In 2018–19, the Department regularly engaged with partner states to enhance legitimate travel. This included coordinating and delivering multilateral initiatives and funding capacity-building activities to share and build technical skills across the region.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>The Department delivered 36 training activities in 18 countries under the International Border Cooperation Program. Training types included document examination, counter-terrorism, intelligence analysis and vessel search. Training programs enhance security of, and legitimate travel across, the region.</p>

24. Forms refer to both application and administrative forms.

			<p>In 2018–19, the Institutional Partnership Program supported the Papua New Guinea (PNG) Immigration and Citizenship Authority (ICA) to conceptualise and implement an eVisa program in PNG. eVisa has been recognised as leading the online platforms in PNG, with no other government body receiving, processing and receipting activity through an online platform. Through Home Affairs International Capacity Building Program funding, the Department gifted PNG Immigration and Citizenship Authority with new passport scanners and funded the International Organization for Migration to develop the verifier system and associated training.</p> <p>The Department Chaired the Asia Pacific Economic Cooperation (APEC) Business Mobility Group (BMG) with the aim of facilitating legitimate travel for business through the APEC Business Travel Card Scheme. The BMG supports the exchange of information between member economies on regulatory regimes and immigration processes for business travel, to streamline visa applications or set arrangements for temporary residence for business people.</p> <p>The Department co-chaired the Association of Southeast Asian Nations—Australia Immigration Training Committee Meeting in Indonesia on 26–27 March 2019. Representatives identified immigration training needs across the region and explored opportunities for training cooperation.</p>
2.4.2	Refugee protection and international migration are supported and strengthened through practical cooperation with international stakeholders.	Qualitative assessment demonstrates positive impact of engagement on international cooperation on refugee protection and international migration matters.	<p>This measure was met.</p> <p>In 2018–19, the Department continued to support and strengthen practical cooperation on refugee protection and international migration with international stakeholders. This includes:</p> <ul style="list-style-type: none"> • Government negotiations of the global compact for safe, orderly and regular migration • global compact for refugees • Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime. <p>Examples of activities supporting this measure in 2018–19:</p> <p>The Department continued to support the United States Resettlement Arrangement, which resulted in 254 refugees resettling in the United States in 2018–19. This was a slight decrease from 292 refugees resettled in 2017–18, however this resettlement arrangement continues to deliver positive resettlement outcomes for refugees.</p> <p>The Department also supported PNG to identify durable migration outcomes for all persons in country. In 2018–19, 35 refugees were settled in PNG and three were settled in other countries. This was an increase from 10 refugees settled through engagement with PNG in 2017–18.</p>

			<p>The Department participated in the Annual Tripartite Consultations on Resettlement in Geneva. The consultations supported the Department's engagement with the United Nations High Commission for Refugees, governments, non-government organisations and other stakeholders on issues including resettlement and complementary pathways, policy, coordination and strategy.</p> <p>The Department continually engaged with key international refugee and migration stakeholders including:</p> <ul style="list-style-type: none"> • United Nations High Commission for Refugees International Organization for Migration • Intergovernmental Consultations on Migration, Asylum and Refugees. <p>The Department's ongoing engagement demonstrates its commitment to effective international and regional cooperation on migration.</p>
2.4.3	Direct humanitarian assistance to refugees and displaced populations is delivered through engagement with international stakeholders.	Qualitative assessment demonstrates positive impact of humanitarian assistance projects to refugees and displaced populations.	<p>This measure was met.</p> <p>In 2018–19, the Department facilitated a number of international humanitarian programs to assist refugees and displaced populations.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>Under the Regional Cooperation Arrangement with Indonesia, the Department provided \$42.6 million to the International Organization for Migration to support Indonesia to manage its population of irregular migrants. The International Organization for Migration provides irregular migrants in Indonesia with meals, limited allowances, health services, advice on migration options and assisted voluntary return to countries of origin.</p> <p>\$1.9 million was contributed to the CARE project on improving the protection and resilience of refugees and vulnerable people affected by the Syrian crisis in Jordan. Starting in July 2018, the project continues earlier humanitarian assistance within Jordan, including providing information on essential services, emergency case assistance and vocational training.</p> <p>\$1.4 million was contributed to the United Nations High Commission for Refugees to provide access to health care for Afghan refugees in Iran.</p>

SPM 2.5	Effective regulatory, status resolution, enforcement and detention activities promote program integrity, compliance and timely status outcomes at the lowest cost to Government.	Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 33	
KEY PERFORMANCE INDICATOR		MEASUREMENTS	RESULTS
2.5.1	Overall non-compliance is reduced through encouragement of voluntary self-resolution.	<p>More than 99 per cent of temporary entrants remain lawful while in Australia.</p> <p>More than 75 per cent of unlawful non-citizens engage voluntarily with the Department to resolve their visa status.</p> <p>The number of people and organisations conducting Visa Entitlement Verification Online checks, and the number accessing status resolution information, increases when compared with the previous year.</p>	<p>This measure was met.</p> <p>In 2018–19, more than 99 per cent of temporary entrants remained lawful, consistent with 2017–18.</p> <p>During 2018–19, 80 per cent of people who contacted the Department for assistance with resolving their immigration status did so voluntarily, an increase from 73 per cent in 2017–18. This is in line with changes in the Department's Status Resolution Program and improvements to online accessibility.</p> <p>Over the same period, 14,169,538 Visa Entitlement Verification Online status and entitlements checks were conducted by visa holders, employers, education providers and other organisations seeking to check visa conditions. This was an increase of 24 per cent from 11,462,733 checks conducted in 2017–18.</p> <p>The increase is partly attributable to the introduction of the <i>Migration and Other Legislation Amendment (Enhanced Integrity) Act 2018</i> to support the integrity of temporary and permanent employer sponsored skilled visa programs, as well as the Department's monitoring activities to deter sponsors from breaching their obligations.</p>
2.5.2	Risk to the community and cost to Government are considered in quickly resolving the status of unlawful non-citizens and Bridging Visa E holders.	<p>Less than 10 per cent of people in the Status Resolution Program are managed in immigration detention.</p> <p>More than 85 per cent of people detained under Section 189 of the <i>Migration Act 1958</i> have their status resolved, or are placed in the community following a community protection risk assessment, within 90 days of being detained.</p> <p>100 per cent of decisions to detain are reviewed within 48 hours.</p>	<p>This measure was partially met.</p> <p>Two out of three measurements were met for this key performance indicator.</p> <p>The Department employs a risk-based approach to managing unlawful non-citizens. Where possible, the Department manages non-citizens in the community for a short time, resulting in cost-effective status resolution. In 2018–19, eight per cent of people in the Status Resolution Program were managed in immigration detention, consistent with 2017–18.</p> <p>In 2018–19, 90 per cent of people detained under Section 189 of the <i>Migration Act 1958</i> had their status resolved or were placed in the community within 90 days of being detained. This was an increase from 87 per cent in 2017–18.</p> <p>In 2018–19, 85 per cent of decisions to detain were reviewed within 48 hours. The Department endeavours to conduct reviews of decisions to detain as quickly as possible; however occasionally, detention reviews are delayed by complex operational and legal issues.</p>

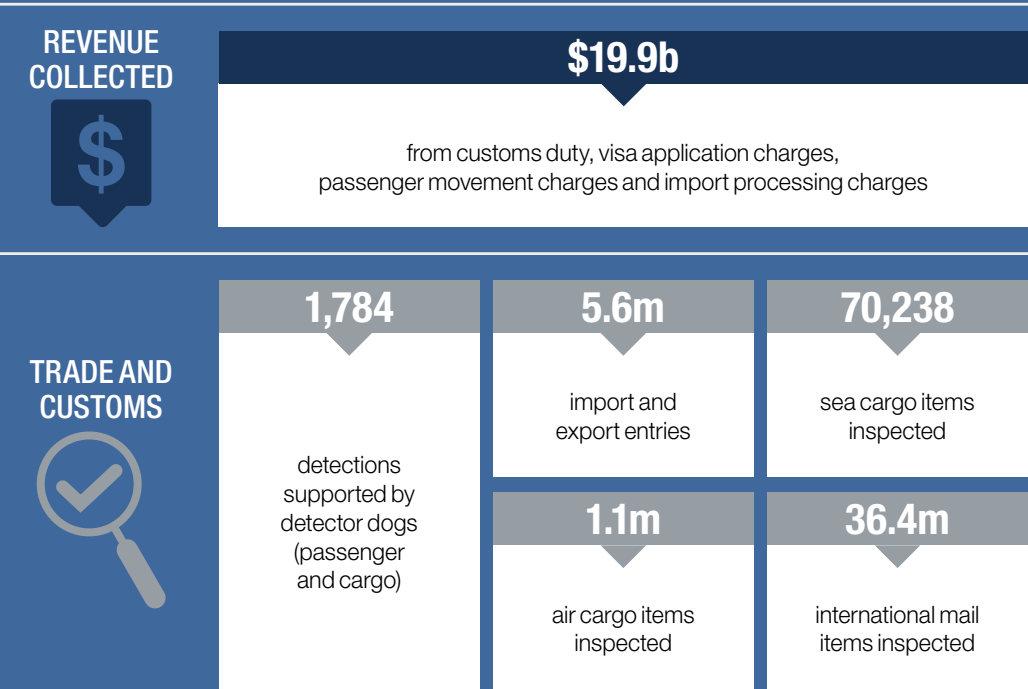
PURPOSE 3: ADVANCE TRADE AND REVENUE

Table 7: Purpose 3—Performance criteria

Home Affairs Corporate Plan 2018–19, Strategic Performance Measures	PURPOSE 2 Advance trade and revenue	
	Strategic Performance Measure 3.1	Effective collection of revenue, detection of revenue evasion and compliance with border revenue laws and processes advances Australia's economic interest.
	Strategic Performance Measure 3.2	Facilitation of legitimate trade and movement of goods, provision of advice and engagement with industry supports seamless trade.
	Strategic Performance Measure 3.3	Collaboration with the international community contributes to consistent global trade practices, facilitates legitimate trade and the movement of goods, and reduces security risks within global supply chains.

Purpose 3: At a glance 2018–19

Figure 8: Purpose 3—At a glance 2018–19



PURPOSE 3—ADVANCE TRADE AND REVENUE

Analysis of performance against Purpose 3

The growth in goods and people moving across the Australian border continued in 2018–19. The Department and the ABF collected \$19.891 billion in revenue, an increase from \$19.266 billion collected in 2017–18. This revenue was comprised of customs duty, import processing charges, passenger movement charges and visa application charges.

To support seamless trade, the Department continued to expand the Australian Trusted Trader (ATT) program. In 2018–19, the ATT program targeted growth at small and medium-sized businesses, including high-value, high-volume business and business from regional Australia. In 2018–19, 233 new entities were accredited to the program bringing the total since inception to 426.

One targeted benefit for ATT is the Origin Advance Ruling, which reduces administrative burden for trusted traders by replacing the need for multiple origin advices. This benefit has contributed to the Department receiving 51 per cent less requests for valuation and rules of origin advice in 2018–19 compared to the number of requests received in 2017–18. This reduces fees and simplifies business processes.

In 2018–19, the Department continued its focus on establishing Mutual Recognition Arrangements with its international partners, which provide exporters with a more streamlined regulatory approach within partner states. The Department has now formalised Mutual Recognition Arrangements with Canada, Hong Kong, the People's Republic of China, the Republic of Korea, and Singapore and Taiwan. The Department also continued to engage with the international community in 2018–19 to drive consistency in global trade practices and supply chains. This included discussions at the Asia Pacific Economic Cooperation (APEC) Forum with the Papua New Guinean Government, and collaboration with representatives from the Swiss Federal Customs Administration.

The Department and the ABF remain committed to ensuring that the application of border fees align with the Government's fiscal and policy objectives, supported by a focus on disrupting revenue evasion and non compliance. Infringement notices are issued to encourage increased compliance with border revenue laws and processes. In 2018–19, 17,107 compliance activities were undertaken, an improvement compared to previous years. This activity has contributed to an increase in short-paid revenue identified by 115.9 per cent (\$40.94 million) between 2017–18 and 2018–19.

The ABF also continued to enhance its client services in 2018–19. Service standard performance improved from 2017–18 for advice related to tariff classification, valuation and rules of origin. Advice for tariff classification reached 80 per cent of the service standard (reflected in the partial achievement of key performance indicator 3.2.1).

To enhance compliant behaviour and improve voluntary disclosures, the Department and the ABF continued to support industry forums such as the Trade and Goods Compliance Advisory Group. Voluntary disclosures rely on self-reporting, with fluctuations in the number and value occurring over time. In 2018–19, voluntary disclosures by industry fell by four, when compared to 2017–18. There was also a decrease in the level of compliant Import and Export Declarations (pre-clearance) identified in 2018–19 compared with 2017–18. Both these outcomes relate to assessments of key performance indicators 3.2.2 and 3.2.3 being identified as 'not met'.

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

Table 8: Purpose 3—Performance information

SPM 3.1	Effective collection of revenue, detection of revenue evasion and compliance with border revenue laws and processes advances Australia's economic interest.	Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 29 Portfolio Budget Statement Program 3.1, p. 46	
KEY PERFORMANCE INDICATOR	MEASUREMENTS	RESULTS	
3.1.1	Refunds and drawbacks are processed under the Refund Scheme.	<p>Refunds and drawbacks under the Refund Scheme are delivered in accordance with service standards.</p> <p>This measure was partially met.</p> <p>In 2018–19, the Department and the ABF maintained or delivered improvements against service standards for refunds and drawbacks under the Refund Scheme.</p> <p>The Department:</p> <ul style="list-style-type: none"> • Paid \$273.0 million in drawbacks; an increase of 63.6 per cent from \$166.9 million in 2017–18 with 2540 drawbacks claims processed, a decrease of 6.7 per cent from 2723 in 2017–18. Of these, 93.7 per cent met client service standards of being processed within 30 days of receiving all required information. This was an increase of 2.5 per cent from 91.4 per cent in 2017–18. • Paid \$249.6 million in refunds; an increase of 6.9 per cent from \$233.5 million in 2017–18 with 144,691 refund claims processed, a decrease of 1.7 per cent from 147,219 in 2017–18. Of these, 98.8 per cent were paid within the client service standards of being assessed within 30 days of receiving all documents. This was an increase from the 98.5 per cent in 2017–18. <p>The Department continues to explore avenues to continuously improve the drawback and refund processes.</p>	
3.1.2	Activities are undertaken, including issuing penalties to ensure compliance with border revenue laws and processes.	<p>Increase in the rate of compliance compared with the previous year.</p> <p>This measure was met.</p> <p>The Department and the ABF actively target non-compliance and issues infringement notices to encourage increased compliance with border revenue laws and processes.</p> <p>In 2018–19, the rate of compliance improved in these areas compared to previous years, with 17,107 compliance activities undertaken, an increase of 53.3 per cent from the 11,157 in 2017–18.</p> <p>The Department's and the ABF's focus on compliance contributed to an increase in short-paid revenue identified through post-transaction activities. In 2018–19, \$40.94 million was collected in short-paid duties, a significant increase of 115.9 per cent from the \$18.96 million identified in 2017–18.</p> <p>In 2018–19, 240 infringement notices were issued in the cargo environment relating to revenue compliance, a decrease of 9.4 per cent from the 265 infringements and penalties issued in 2017–18.</p> <p>The value of infringements in 2018–19 increased 2.7 per cent to \$2.13 million from the \$2.07 million reported in 2017–18.</p>	

3.1.3	Level of significant revenue collected against budget: Visa Application Charge, Customs duty, Import Processing Charge and Passenger movement charges.	Total amount of revenue collected from the Visa Application Charge, Customs duty, Import Processing Charge and Passenger Movement Charge in accordance with Government settings.	<p>This measure was partially met.</p> <p>In 2018–19, the Department and the ABF actively collected revenue totalling \$19.891 billion from Visa Application Charge, Customs duty, Import Processing Charge and Passenger Movement Charges in accordance with Government settings. This is an increase from the \$19.266 billion in 2017–18.</p> <p>This revenue was down by \$873.1 million against PAES estimates. This is largely due to lower than estimated collections of Excise Equivalent Goods primarily attributable to tobacco, with import volumes lower than anticipated.</p> <p>In 2018–19, revenue was collected against these activities:</p> <ul style="list-style-type: none"> • Customs Duty \$15.943 billion was collected in Customs Duty (against a target of \$16.75 billion), an increase from the \$15.689 billion collected in 2017–18. • Import Processing Charge \$426.2 million was collected through the Import Processing Charge (against a target of \$434.1 million), an increase from \$417.2 million collected in 2017–18. • Passenger Movement Charge \$1.192 billion was collected through the Passenger Movement Charge (against a target of \$1.235 billion), an increase from \$1.134 billion collected in 2017–18. • Visa Application Charge \$2.330 billion was collected through the Visa Application Charge (against a target of \$2.346 billion), an increase from \$2.026 billion collected in 2017–18.
SPM 3.2	Facilitation of legitimate trade and movement of goods, provision of advice and engagement with industry supports seamless trade.	<p>Source: <i>Department of Home Affairs Corporate Plan 2018–19</i>, p. 29</p> <p>Portfolio Budget Statement Program 3.1, p. 47</p>	
KEY PERFORMANCE INDICATOR		MEASUREMENTS	RESULTS
3.2.1	Percentage of tariff classification, valuation and rules of origin advices completed within service standards.	Services and support provided to industry—regarding tariff classification, valuation and rules of origin advice—completed within service standards.	<p>This measure was partially met.</p> <p>The Department and ABF contributed to promoting Australia as a preferred trade option by contributing to a positive, seamless trade experience for legitimate traders.</p> <p>In 2018–19, the Department received 11 per cent less tariff classification requests than in 2017–18. Of the requests received, 80 per cent of tariff classification advices were completed within services standard (advice provided within 30 days of receiving all required information). This is an improvement from 75 per cent in 2017–18. The shortfall in meeting the service standard is contributed to by the increased complexity of requests for tariff advice, including the provision of advice for trade enforcement operations, and reviews of complex classification advice and tariff classification orders.</p>

			<p>The Department received 51 per cent less requests for valuation and rules of origin advice in 2018–19 compared to 2017–18. This decrease is primarily due to the introduction of a targeted benefit for ATTs—the Origin Advance Ruling—which replaced the need for multiple origin advices for ATTs.</p> <p>Of requests received, 99 per cent were completed within the service standards (advice provided within 30 days of receiving all required information), compared to 90 per cent in 2017–18. This contributes to a seamless trade experience for Australia and the Department’s external stakeholders.</p>
3.2.2	Stakeholders are assisted and supported to submit compliant Import and Export Declarations (pre-clearance) via the general monitoring program.	Increased level of compliant Import and Export Declarations (pre-clearance) compared with the previous year.	<p>This measure was not met.</p> <p>The Department and the ABF support industry to comply with Import and Export Declarations. In 2018–19, the Department reviewed 5720 Import Declarations, a decrease of 7.4 per cent from the 6175 in 2017–18.</p> <p>Of the 2018–19 declarations, 4313, or 75.4 per cent, were compliant. Compliance levels for Import Declarations decreased by 2.1 per cent from the 77.5 per cent reported in 2017–18.</p> <p>The Department reviewed 668 Export Declarations, a decrease of 25.4 per cent from the 895 in 2017–18. Of the 2018–19 declarations, 340, or 50.9 per cent, were compliant.</p> <p>The compliance level for Export Declarations decreased from 68 per cent in 2017–18. This was caused by a combination of two factors:</p> <ul style="list-style-type: none"> • staff were reallocated to treating higher border risks (imports border regulated trade and imports border revenues) • a lower proportion of export declarations being sampled. <p>The lower proportion sampled was successful in detecting and correcting issues relating to the export declarations but led to an increase in non-compliant export declarations.</p>
3.2.3	Effective industry engagement enhances compliant behaviour.	Increase in voluntary compliance resulting from the range of industry engagement initiatives compared with the previous year.	<p>This measure was not met.</p> <p>In 2018–19, 51 voluntary disclosure cases by importers were finalised, a decrease of 7.7 per cent from the 55 cases in 2017–18.</p> <p>Revenue from voluntary disclosure decreased to \$74.3 million in 2018–19 compared to \$135.4 million in 2017–18. This reduction could be explained by the higher value of voluntary disclosures that was reported in quarter four in 2017–18 (\$128.0 million in Quarter 4 in 2017–18). Although the number and value of voluntary disclosure by importers decreased, the number of import lines assessed by the ABF on imports has increased by 69.5 per cent, from 780,454 lines in 2017–18 to 1,322,838 lines in 2018–19.</p>

			<p>As voluntary disclosure cases rely on self-reporting, fluctuations in their number and value are common from quarter-to-quarter. Reported values are not indicative of seasonal trends or operational tempo. They are also not a predictor of future trends. This level of disclosure demonstrates that industry is aware of the need to voluntarily self-report errors to correct information and pay duties owed.</p> <p>The Department continued to engage with industry to enhance compliant behaviour through forums such as the Trade and Goods Compliance Advisory Group. The Department and the ABF use this collaborative forum for industry to make recommendations on solving trade and goods compliance issues. The group met four times in 2018–19. Engagement with this stakeholder group contributes to increasing voluntary compliance.</p>
3.2.4	The passage of legitimate trade is facilitated through the implementation of innovative measures.	Number of Trusted Traders increases compared with the previous year.	<p>This measure was met.</p> <p>The Department and the ABF contributed to promoting legitimate trade through the ongoing implementation of the Australian Trusted Trader (ATT) program. The Department continues to grow the number of ATTs by targeting a mix of small and medium-sized businesses, as well as high-value, high-volume businesses from regional Australia.</p> <p>In 2018–19, 233 new entities were accredited to the ATT program, an increase from 157 entities accredited in 2017–18. At the end of 2018–19, there were 426 ATTs accredited, an increase from 193 at the end of 2017–18.</p>
SPM 3.3	Collaboration with international community contributes to consistent trade practices, facilitates legitimate trade and the movement of goods, and reduces security risks within global supply chains.		Source: <i>Department of Home Affairs Corporate Plan 2018–19</i> , p. 30
KEY PERFORMANCE INDICATOR		MEASUREMENTS	RESULTS
3.3.1	Partnerships lead to increased capability in international stakeholders to facilitate legitimate trade, movement of goods and improve security in global supply chains.	Qualitative assessment demonstrates positive impact of engagement on the facilitation of legitimate trade, movement of goods and global supply chain security.	<p>This measure was met.</p> <p>In 2018–19, the Department continued to engage closely with partner governments to facilitate legitimate trade, the movement of goods and improve security in global supply chains.</p> <p>Examples of activities supporting this measure in 2018–19:</p> <p>Australia increased its number of Mutual Recognition Arrangements (MRA) from six in 2017–18 to seven, with one signed with Taiwan in 2018–19. MRAs enable customs administrations to streamline border processing of goods traded by Authorised Economic Operators or Trusted Traders. Negotiations continue with other states to expand Australia's MRAs.</p>

			<p>The Department and the ABF provided support to partners in PNG in their hosting of APEC meetings, which advanced trade and integration in the Asia–Pacific economy.</p> <p>A delegation from the Swiss Federal Customs Administration visited Australia to learn from the Department’s experience in merging its immigration and customs functions, and to share their digitalisation project, intended to provide more effective controls, improve security, and transform client integrations.</p> <p>Treaty-level Customs Mutual Assistance Agreements (CMAAs) between the Department, Mexico and the United States progressed in 2018–19, with a mandate to negotiate CMAAs with Canada and Uruguay initiated.</p> <p>These agreements will increase cooperation in preventing, detecting and investigating customs offences. They will also improve security in global supply chains, as well as underpin closer bilateral intelligence and information exchange and operational collaboration between Australia and these countries.</p>
3.3.2	Collaboration with the international community improves consistency in global trade practices.	Improvements in consistency of global trade practices, reported through departmental survey of industry groups.	<p>This measure was met.</p> <p>In 2018–19, the department surveyed key members of the trade sector both internationally and domestically to improve consistency in global trade practices. The surveying is across a broad range of mediums including face to face questioning, reporting of bilateral and multilateral third party engagement and through conducting industry or sectoral roundtables.</p> <p>Examples of engagements and the positive impacts in 2018–19:</p> <p>The 28th World Customs Organization (WCO) Asia–Pacific Regional Contact Points meeting was held. Australia was a key contributor to the meeting, including in the development and design of the WCO Strategic Plan 2019–2022. At the meeting, we reported on activities of the Australian-chaired Counter Terrorism Working Group, and presented on capacity building for small island economies and e-commerce. Through the WCO, the Department contributed to developing a shared understanding of global trade practices.</p> <p>The Department attended the Senior Officials’ Meetings of APEC in February 2019. This forum allowed us to influence and improve global trade practices by representing Australia in meetings including the:</p> <ul style="list-style-type: none"> • Sub-Committee on Customs Procedures • Counter-Terrorism Working Group • Emergency Preparedness Working Group. <p>Australia is Chair of the Business Mobility Group, which continued to modernise and further strengthen the integrity of the APEC Business Travel Card Scheme.</p>

			<p>In 2018–19, the ABF and the Australian Criminal Intelligence Commission were hosted by Her Majesty's Revenue and Customs to discuss countering the illicit tobacco trade. Two ABF officers went to the United Kingdom to share operational strategies to promote different approaches to combatting transnational illicit tobacco smuggling.</p> <p>With the assistance of the Home Affairs Institutional Partnership Program Advisors, PNG Customs Services (PNGCS) implemented the PNGCS 'Illicit Tobacco Taskforce' and PNG whole-of-government 'Illicit Trade and Black Economy Taskforce' which will provide the foundation for sharing information and pursuing joint efforts in combatting the trade of illicit tobacco, goods and Black Economy activities that impact on the prosperity of both PNG and Australia.</p>
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PART 3

REPORT ON FINANCIAL PERFORMANCE

REPORT ON FINANCIAL PERFORMANCE

The Department's complete financial results for 2018–19 are available in the financial statements that form Part 4 of this Annual Report.

Departmental operating result

The 2018–19 financial statements report a \$344.69 million operating deficit compared with the \$324.43 million operating deficit in 2017–18. The Australian Government has not funded depreciation and amortisation expenses since 2010–11. In 2018–19, the Department incurred \$344.93 million in depreciation and amortisation expenses. Had these items been funded, the 2018–19 result would have been a \$0.24 million surplus.

Administered program performance

The Department's 2018–19 administered expenses were \$2.04 billion, compared to \$2.36 billion in 2017–18. The variance is mainly attributable to the gift of infrastructure to the Papua New Guinea Government in 2017–18 after Australia's involvement in supporting the Manus Island Regional Processing Centre ended.

Net assets

Overall, the Department's 2018–19 net asset position of \$1.23 billion (assets minus liabilities) decreased by \$91.04 million in comparison with 2017–18. The Department had a strong net asset position at 30 June 2019, whereby liabilities equated to 43 per cent of the total asset base.

All outcomes—summary expense and capital expenditure 2018–19

	BUDGET 2018–19 ^a \$'000	ACTUAL EXPENSES 2018–19 \$'000
Administered		
Expenses funded through revenue appropriations^b		
Outcome 1: Protect Australia's sovereignty, security and safety through its national security, emergency management system, law enforcement, and managing its border, including managing the stay and departure of all non-citizens.	2,283,019	1,854,682
Outcome 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa, multicultural and citizenship programs and provision of refugee and humanitarian assistance.	52,438	47,867
Outcome 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	-	-
Total administered expenses funded through revenue appropriations	2,335,457	1,902,549
Total administered capital expenditure	75,871	46,514
Departmental		
Expenses funded through revenue appropriations^b		
Outcome 1: Protect Australia's sovereignty, security and safety through its national security, emergency management system, law enforcement, and managing its border, including managing the stay and departure of all non-citizens.	1,874,011	1,942,201
Outcome 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa, multicultural and citizenship programs and provision of refugee and humanitarian assistance.	885,313	836,132
Outcome 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	121,849	115,631
Total departmental expenses funded through revenue appropriations	2,881,173	2,893,964
Total departmental capital expenditure	323,277	323,276

a. Budget relates to the estimated actuals for 2018–19 reported in the Portfolio Budget Statements (PBS) 2019–20 which incorporates the measures provided in the Portfolio Additional Estimates Statements (PAES) 2018–19.

b. Departmental and administered appropriations combines ordinary annual services (Appropriation Acts No.1 and No. 3), special appropriations, special accounts, Advance to the Finance Minister (AFM) and retained revenue receipts under s74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets and resources received free of charge.

PART 4

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Minister for Home Affairs

Opinion

In my opinion, the financial statements of the Department of Home Affairs ('the Entity') for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

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

Basis for opinion

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

Key audit matters

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

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Key audit matter**Completeness and accuracy of customs duty**

Refer to Note 2.1A 'Taxation revenue' and Note 4.1B 'Taxation receivables'

The Entity recognises revenue for customs duty arising on imported goods. The calculation of duty payable is dependent upon information provided by importers. Due to the self-assessment nature of customs duty collections, the Entity has implemented a framework for monitoring importers' compliance with disclosure requirements. The compliance framework is risk based and driven by intelligence collected by the Entity.

I focused on this area given:

- the significant value of customs duty revenue;
- the importance that compliance risk management plays in the completeness and accuracy of customs duty revenue; and
- the complexity of the information technology (IT) environment used to manage customs duty.

For the year ended 30 June 2019, \$15.943 billion customs duty revenue and \$393 million customs duty receivables were recognised.

How the audit addressed the matter

To audit the completeness and accuracy of customs duty, I performed the following procedures:

- evaluated the design and effectiveness of the Entity's compliance risk management processes by benchmarking the Entity's compliance framework against the Organisation for Economic Cooperation and Development's principles of what constitutes an effective taxation compliance program;
- assessed the design and effectiveness of the Entity's risk identification, risk assessment, and risk prioritisation process; and the risk treatment strategies and associated reporting relevant to evasion of customs duty and the integrity of the Entity's supply chain;
- evaluated key IT systems and tested relevant controls, system calculations and reconciliations to confirm the accuracy of customs duty collected; and
- assessed the accuracy of customs duty collected by evaluating the appropriateness of tariff rates to relevant legislation and exchange rates being applied and by testing a sample of transactions to supporting documentation.

Key audit matter**Completeness and accuracy of visa application charges**

Refer to Note 2.1A 'Taxation revenue' and Note 4.1B 'Taxation receivables'

The Entity recognises revenue for visa applications. I focused on this area given:

- the significant value of visa application charges;
- the decentralised approach to the collection of visa revenue which occurs in a number of locations domestically and internationally, using a number of payment mechanisms; and
- the complexity of the IT environment used to collect and process visa application charges.

For the year ended 30 June 2019, \$2.330 billion visa application charges revenue and \$7 million visa application charges receivables were recognised.

How the audit addressed the matter

To audit the completeness and accuracy of visa application charges and receivables, I performed the following procedures:

- assessed the design and effectiveness of controls over the revenue collection and reporting process, including the effectiveness of cash receipting and related reconciliation processes;
 - evaluated the design, effectiveness and implementation of key IT systems and controls relevant to the completeness and accuracy of visa revenue. This includes assessing whether visa revenue is accurately reflected in the financial management information system;
 - assessed the accuracy of visa pricing applied within business systems to published schedules; and
 - tested, on a sample basis, visa applications and receipts. This testing included agreeing receipts to valid application forms and testing that the receipt processed agreed to the approved schedule of pricing from the associated regulations.
-

Key audit matter**Accuracy of detention and regional processing centres expenses and valuation of the associated non-financial assets**

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

I focused on this area due to:

- the significance of expenses and complexity of contracts associated with managing the detention and regional processing centres;
- the variability of the costs associated with administering the detention and regional processing network, as the level of expenses is dependent on the rate of arrival and the time unauthorised maritime arrivals are held in detention;
- the complexity of performing valuations in a range of markets given the geographically dispersed land, buildings and equipment including assets located overseas; and
- the financial implications of the closure of detention processing centres, including assessing non-financial assets for impairment.

For the year ended 30 June 2019, \$1.521 billion was recognised for suppliers services rendered. Detention and regional processing centres expenditure represents a significant proportion of this balance. \$1.045 billion was reported for the associated non-financial assets.

How the audit addressed the matter

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

- assessed the design and effectiveness of key controls supporting contract payments to service providers including compliance with contract requirements and the accuracy of expenditure recorded;
- tested, on a sample basis, the accuracy of detention and regional processing centres expenses including: evaluating underlying cost drivers and invoices;
- performed detailed analysis of regional processing centre expenditure against contract requirements;
- assessed the effectiveness of the Entity's stocktake relating to detention and regional processing centre assets;
- tested, on a sample basis, the valuation of detention and regional processing centre assets including: evaluating the competence and objectivity of the valuation expert used by the Entity; evaluating the relevance, completeness and accuracy of the sources of data used in the valuation process; and testing the associated assessment for impairment; and
- assessed the accounting for non-financial assets associated with detention centres closed during the reporting period, including the valuation of non-financial assets transferred to another location and those remaining at the closed location, where applicable.

Accountable Authority's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

of the financial statements.

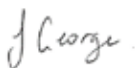
As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Australian National Audit Office



Jodi George
Executive Director
Delegate of the Auditor-General

Canberra
10 September 2019

STATEMENT BY THE SECRETARY AND CHIEF FINANCE OFFICER

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

In our opinion, the attached financial statements for the year ended 30 June 2019 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

Signed.....



Michael Pezzullo
Secretary

9 September 2019

Signed.....



Stephanie Cargill
Chief Finance Officer

9 September 2019

FINANCIAL STATEMENTS

Department of Home Affairs Statement of comprehensive income For the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
Net cost of services				
Expenses				
Employee benefits	6.1A	1,518,379	1,440,144	1,465,457
Suppliers	1.1A	1,372,058	1,288,962	1,176,082
Depreciation and amortisation	3.2A	344,925	290,529	259,248
Impairment loss allowance on financial assets	1.1B	16,658	14,864	-
Writedown and impairment of non-financial assets	1.1C	1,442	5,294	-
Finance costs		2,572	23	-
Other expenses		10,755	1,584	-
Total expenses		3,266,789	3,041,400	2,900,787
Own-source income				
Own-source revenue				
Sale of goods and rendering of services	1.2A	156,253	125,422	143,008
Recovery of costs	1.2B	61,761	39,894	38,200
Electronic travel authority fees		15,568	13,299	12,980
Rental income		4,541	2,650	2,145
Software royalties		3,587	3,205	3,095
Other revenue	1.2C	10,275	21,700	18,983
Total own-source revenue		251,985	206,170	218,411
Gains	1.2D	6,227	5,374	-
Total own-source income		258,212	211,544	218,411
Net cost of services		(3,008,577)	(2,829,856)	(2,682,376)
Revenue from Government		2,663,887	2,505,428	2,429,855
Deficit attributable to the Australian Government		(344,690)	(324,428)	(252,521)
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		3,231	35,212	-
Total other comprehensive income		3,231	35,212	-
Total comprehensive loss		(341,459)	(289,216)	(252,521)

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.3 for explanations of major budget variances.

Department of Home Affairs
Statement of financial position
As at 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents	3.1A	5,882	3,519	4,241
Trade and other receivables	3.1B	519,513	554,400	489,117
Other financial assets		909	537	4,880
Total financial assets		526,304	558,456	498,238
Non-financial assets				
Land	3.2A	20,220	20,220	28,747
Buildings	3.2A	35,014	37,850	26,075
Leasehold improvements	3.2A	236,378	155,363	107,030
Vessels	3.2A	320,255	342,684	330,825
Plant and equipment	3.2A	291,402	333,279	321,746
Computer software	3.2A	585,664	555,497	610,336
Inventories held for distribution		21,054	19,783	22,139
Prepayments		97,738	99,492	55,548
Other non-financial assets		11,789	10,105	5,643
Total non-financial assets		1,619,514	1,574,273	1,508,089
Total assets		2,145,818	2,132,729	2,006,327
Liabilities				
Payables				
Suppliers	3.3A	246,026	288,869	223,929
Lease incentives		101,405	3,174	-
Other payables	3.3B	34,794	26,400	26,803
Total payables		382,225	318,443	250,732
Provisions				
Employee provisions	6.1B	474,115	444,078	414,479
Other provisions	3.4A	58,601	48,289	35,823
Total provisions		532,716	492,367	450,302
Total liabilities		914,941	810,810	701,034
Net assets		1,230,877	1,321,919	1,305,293
Equity				
Contributed equity		3,103,347	2,852,932	3,061,532
Asset revaluation reserve		278,109	274,879	239,667
Accumulated deficit		(2,150,579)	(1,805,892)	(1,995,906)
Total equity		1,230,877	1,321,919	1,305,293

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.3 for explanations of major budget variances.

Department of Home Affairs
Statement of changes in equity
For the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
<u>Contributed equity</u>				
Opening balance				
Balance carried forward from previous period		2,852,932	2,410,844	2,801,156
Opening balance adjustments		(773)	-	-
Adjusted opening balance		2,852,159	2,410,844	2,801,156
Transactions with owners				
Contributions by owners				
Equity injection – appropriations		113,481	264,822	93,081
Departmental capital budget		136,548	127,093	149,652
Restructuring	8.2A	1,159	50,173	17,643
Total transactions with owners		251,188	442,088	260,376
Closing balance as at 30 June		3,103,347	2,852,932	3,061,532
<u>Asset revaluation reserve</u>				
Opening balance				
Balance carried forward from previous period		274,879	239,667	239,667
Adjusted opening balance		274,879	239,667	239,667
Comprehensive income				
Other comprehensive income		3,231	35,212	-
Total comprehensive income		3,231	35,212	-
Other movements		(1)	-	-
Closing balance as at 30 June		278,109	274,879	239,667

Department of Home Affairs
Statement of changes in equity
For the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
Accumulated deficit				
Opening balance				
Balance carried forward from previous period		(1,805,892)	(1,481,469)	(1,742,358)
Adjusted opening balance		(1,805,892)	(1,481,469)	(1,742,358)
Comprehensive income				
Deficit for the period		(344,690)	(324,428)	(252,521)
Total comprehensive income		(344,690)	(324,428)	(252,521)
Other movements		3	5	(1,027)
Closing balance as at 30 June		(2,150,579)	(1,805,892)	(1,995,906)
Total equity		1,230,877	1,321,919	1,305,293

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.3 for explanations of major budget variances.

Department of Home Affairs
Cash flow statement
For the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
<u>Operating activities</u>				
Cash received				
Sale of goods and services		216,251	70,413	145,153
Appropriations		3,023,668	2,780,494	2,435,720
Net GST ^a received		148,033	120,290	124,573
Other		66,181	42,601	73,258
Total cash received		3,454,133	3,013,798	2,778,704
Cash used				
Employees		1,489,319	1,415,155	1,465,457
Suppliers		1,492,018	1,406,540	1,300,655
Section 74 receipts transferred to the OPA ^b		426,141	219,652	-
Other		8,109	1,033	-
Total cash used		3,415,587	3,042,380	2,766,112
Net cash from/(used by) operating activities		38,546	(28,582)	12,592
<u>Investing activities</u>				
Cash received				
Proceeds from sale of property, plant and equipment		-	59	-
Total cash received		-	59	-
Cash used				
Purchase of property, plant and equipment		323,276	365,687	255,325
Total cash used		323,276	365,687	255,325
Net cash used by investing activities		(323,276)	(365,628)	(255,325)

Department of Home Affairs
Cash flow statement
For the period ended 30 June 2019

		2019	2018	Original
	Notes	\$'000	\$'000	Budget
				\$'000
<u>Financing activities</u>				
Cash received				
Contributed equity		287,093	393,488	242,733
Restructuring	8.2A	-	27	-
Total cash received		287,093	393,515	242,733
Net cash from financing activities		287,093	393,515	242,733
Net increase/(decrease) in cash held		2,363	(695)	-
Cash and cash equivalents at the beginning of the reporting period		3,519	4,214	4,241
Cash and cash equivalents at the end of the reporting period	3.1A	5,882	3,519	4,241

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

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 8.3 for explanations of major budget variances.

Department of Home Affairs
Administered schedule of comprehensive income
For the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
Net cost of services				
Income				
Revenue				
Taxation revenue				
Customs duty	2.1A	15,943,177	15,688,978	16,499,450
Visa Application Charges	2.1A	2,330,427	2,026,328	2,541,672
Passenger Movement Charges	2.1A	1,191,607	1,134,314	1,184,471
Other taxes	2.1A	441,535	431,817	491,031
Total taxation revenue		19,906,746	19,281,437	20,716,624
Non-taxation revenue				
Immigration fees		40,919	61,985	54,000
Interest		3,353	1,464	1,189
Other revenue	2.1B	33,745	20,446	30,156
Total non-taxation revenue		78,017	83,895	85,345
Total revenue		19,984,763	19,365,332	20,801,969
Gains	2.1C	22,580	2,297	8,598
Total income		20,007,343	19,367,629	20,810,567
Expenses				
Suppliers	2.2A	1,520,850	1,612,582	1,367,970
Personal benefits	2.2B	279,449	245,732	174,667
Gifting, grants and contributions	2.2C	97,275	274,149	92,450
Depreciation and amortisation	4.2A	114,362	158,966	66,120
Impairment loss allowance on financial instruments		-	173	-
Write-down and impairment of non-financial assets	2.2D	27,858	64,284	20,042
Other expenses	2.2E	4,975	2,572	15
Total expenses		2,044,769	2,358,458	1,721,264
Net contribution by services		17,962,574	17,009,171	19,089,303
Surplus		17,962,574	17,009,171	19,089,303
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		6,808	30,119	-
Total other comprehensive income		6,808	30,119	-
Total comprehensive income		17,969,382	17,039,290	19,089,303

The above schedule should be read in conjunction with the accompanying notes.
Refer to Note 8.3 for explanations of major budget variances.

Department of Home Affairs
Administered schedule of assets and liabilities
As at 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents	4.1A	68,402	54,100	55,239
Taxation receivables	4.1B	520,900	528,698	538,943
Non-taxation receivables	4.1C	106,452	125,146	109,095
Total financial assets		695,754	707,944	703,277
Non-financial assets				
Land ^a	4.2A	55,285	46,552	46,205
Buildings	4.2A	620,309	683,517	728,249
Leasehold improvements	4.2A	110,043	112,456	119,816
Plant and equipment	4.2A	250,432	258,858	241,529
Computer software	4.2A	1,156	436	-
Prepayments		4,222	150	460
Total non-financial assets		1,041,447	1,101,969	1,136,259
Assets held for sale ^a	4.2A	7,780	10,050	9,750
Total assets administered on behalf of Government		1,744,981	1,819,963	1,849,286
Liabilities				
Payables				
Suppliers		353,922	311,647	244,744
Personal benefits	4.3A	20,815	20,526	23,201
Grants and contributions		12,497	9,129	-
Unearned income		23,957	22,645	30,733
Other payables		12,424	18,327	12,004
Total payables		423,615	382,274	310,682
Provisions	4.4A	17,487	9,411	10,132
Total liabilities administered on behalf of Government		441,102	391,685	320,814
Net assets		1,303,879	1,428,278	1,528,472

a. In the Department's 2017-18 published financial statements, a parcel of land was incorrectly reflected as held for sale. The comparative land and assets held for sale positions have been reclassified by \$27.700 million to address this error.

The above schedule should be read in conjunction with the accompanying notes.
Refer to Note 8.3 for explanations of major budget variances.

Department of Home Affairs
Administered reconciliation schedule
For the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Opening assets less liabilities as at 1 July		1,428,278	1,756,388
Net (cost of)/contribution by services			
Income		20,007,343	19,367,629
Expenses		(2,044,769)	(2,358,458)
Transfers (to)/from the Australian Government			
Appropriation transfers from the OPA			
Annual appropriation for administered expenses		1,775,790	1,901,812
Administered assets and liabilities appropriations		58,906	64,369
Special appropriations (unlimited)			
Payments to entities other than corporate Commonwealth entities		711,402	454,205
Appropriation transfers to the OPA			
Transfers to the OPA		(20,646,991)	(19,890,515)
Restructuring	8.2B	7,112	102,728
Drawings from the OPA on behalf of the ATO ^a		283,324	255,162
Payments on behalf of the ATO ^a out of special appropriations		(283,324)	(255,162)
Administered revaluations taken to reserves		6,808	30,119
Other movements		-	1
Closing assets less liabilities as at 30 June		1,303,879	1,428,278

a. Australian Taxation Office (ATO)

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

Accounting policy

Administered cash transfers to and from the OPA

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

Department of Home Affairs
Administered cash flow statement
For the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
<u>Operating activities</u>			
Cash received			
Customs duty		15,919,066	15,696,209
Immigration fees and charges		2,374,394	2,100,840
Passenger Movement Charge		1,199,579	1,107,146
Import Processing Charges and licenses		439,924	433,185
Net GST received		88,353	75,162
Special Account		18,251	-
Bonds received		17,022	12,266
Security deposits		8,501	1,231
Other		16,579	7,473
Total cash received		20,081,669	19,433,512
Cash used			
Suppliers		1,558,434	1,629,019
Personal benefits		275,969	251,461
Tourist Refund Scheme		255,572	227,678
Grants and contributions paid		93,947	25,201
Refunds of GST (on imports), WET ^a and LCT ^b		25,383	24,145
Bonds paid		15,769	11,539
Security deposits		735	1,343
Total cash used		2,225,809	2,170,386
Net cash from operating activities		17,855,860	17,263,126
<u>Investing activities</u>			
Cash received			
Proceeds from sale of property, plant and equipment		53	-
Repayment of loans by state and territory governments		18,094	16,360
Total cash received		18,147	16,360
Cash used			
Purchase of property, plant and equipment		46,514	65,205
Loans made to state and territory governments		1,578	159
Total cash used		48,092	65,364
Net cash used by investing activities		(29,945)	(49,004)

Department of Home Affairs
Administered cash flow statement
For the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
<u>Financing activities</u>			
Cash received			
Contributed equity		58,906	64,369
Restructuring		7,112	-
Total cash received		66,018	64,369
Net cash from financing activities		66,018	64,369
Net increase in cash held		17,891,933	17,278,491
Cash and cash equivalents at the beginning of the reporting period		54,100	55,239
Cash from the OPA			
Appropriations		2,544,276	2,356,017
Special accounts		24,160	-
Refunds of GST (on imports), WET ^a and LCT ^b		25,383	24,145
Tourist Refund Scheme		257,941	231,017
Total cash from the OPA		2,851,760	2,611,179
Cash to the OPA			
Administered receipts		20,702,862	19,887,470
Special accounts		25,245	-
Return of Tourist Refund Scheme drawings		2,369	3,339
Total cash to the OPA		20,730,476	19,890,809
Cash on hand or on deposit at the end of the reporting period		67,199	54,100
Cash in special accounts at the end of the reporting period		1,203	-
Cash and cash equivalents at the end of the reporting period	4.1A	68,402	54,100

- a. Wine Equalisation Tax (WET)
- b. Luxury Car Tax (LCT)

During 2018-19, the Department changed its accounting policy for cash flows associated with duty and other taxes. Receipts and refunds previously disclosed separately, have been reported on a net basis to align with the treatment adopted in the Commonwealth Consolidated Financial Statements. As a consequence, cash used in 2017-18 for refunds of duty and other taxes amounting to \$417.653 million has been reclassified to corresponding cash receipts categories.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Department of Home Affairs

Notes to and forming part of the financial statements

Overview

Objectives of the Department

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

The Department is structured to meet three outcomes.

Outcome	Activity
Outcome 1: Protect Australia's sovereignty, security and safety through its national security, emergency management system, law enforcement, and managing its border, including managing the stay and departure of all non-citizens.	Program 1.1: Border Enforcement (departmental) Program 1.2: Border Management (departmental and administered) Program 1.3: Onshore Compliance and Detention (departmental and administered) Program 1.4: Illegal Maritime Arrivals Offshore Management (departmental and administered) Program 1.5: Regional Cooperation (departmental and administered) Program 1.6: Transport Security (departmental and administered) Program 1.7: National Security and Criminal Justice (departmental and administered) Program 1.8: Cyber Security (departmental) Program 1.9: Counter-Terrorism (departmental and administered) Program 1.10: Australian Government Disaster Financial Support Payments (administered)
Outcome 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa, multicultural and citizenship programs and provision of refugee and humanitarian assistance.	Program 2.1: Multicultural Affairs and Citizenship (departmental and administered) Program 2.2: Migration (departmental) Program 2.3: Visas (departmental and administered) Program 2.4: Refugee and Humanitarian Assistance (departmental and administered)
Outcome 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	Program 3.1: Border Revenue Collection (departmental and administered) Program 3.2: Trade Facilitation and Industry Engagement (departmental)

In establishing the portfolio, the former Department of Immigration and Border Protection was restructured during 2017-18 to form the Department of Home Affairs. Following the Government announcement in May 2019, the Department also assumed responsibility for settlement services for refugees and humanitarian migrants and adult migrant education however these arrangements did not take effect until 1 July 2019. Refer to Note 8.2 for further information in connection with the Department's restructuring as a result of updates to administrative arrangements.

Department of Home Affairs

Notes to and forming part of the financial statements

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

Basis of preparation of the financial statements

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

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

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

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

Reporting of administered activities

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

Taxation

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

Key accounting judgements and estimates

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

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

Events after the reporting period

Departmental

As a result of the Administrative Arrangements Order dated 29 May 2019, responsibility for settlement services for refugees and humanitarian migrants and adult migrant education was transferred to the Department on 1 July 2019 from the Department of Social Services and Department of Education respectively.

Department of Home Affairs

Notes to and forming part of the financial statements

Administered

Administered responsibilities associated with settlement services for refugees and humanitarian migrants and adult migrant education were also transferred to the Department on 1 July 2019. Refer to Note 8.2 for further information in connection with the Department's restructuring as a result of updates to administrative arrangements.

Department of Home Affairs

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Department of Home Affairs

Notes to and forming part of the financial statements

1. Departmental financial performance

1.1 Expenses

	2019	2018
	\$'000	\$'000
Note 1.1A: Suppliers		
Goods and services supplied or rendered		
Contractors	237,714	237,589
Information technology and communications	223,219	214,840
General operational expenses	111,712	111,022
Vessel expenses	79,414	56,124
Insurance, legal and litigation	74,015	64,026
Property operating	68,759	59,454
Staff related expenses	66,196	75,743
Travel	51,125	60,728
Client operations	40,421	33,989
Consultants	29,702	37,222
Bank and merchant fees	27,815	20,753
Coastal surveillance	6,606	7,768
Total goods and services supplied or rendered	1,016,698	979,258
Other suppliers		
Minimum lease payments	319,667	282,069
Workers compensation expenses	35,693	27,635
Total other suppliers	355,360	309,704
Total suppliers	1,372,058	1,288,962
Future minimum operating lease payments		
Commitments for minimum lease payments under non-cancellable operating leases are payable as follows:		
Within 1 year	275,145	304,840
Between 1 and 5 years	565,892	735,770
More than 5 years	508,750	596,255
Total future minimum operating lease payments	1,349,787	1,636,865

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

- Property leases including leases for onshore and offshore office and staff accommodation. Certain property leases contain renewal terms that allow the Department to extend the existing lease period for a range of durations.
- Agreements in relation to support costs for desktop infrastructure, midrange infrastructure and software.
- Other leases including leases for coastal and maritime surveillance related activities. Certain other leases contain terms for rent payable that is contingent on usage that exceeds specified minimum levels.

Department of Home Affairs

Notes to and forming part of the financial statements

Accounting policy

Minimum lease payments and lease incentives

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

	2019	2018
	\$'000	\$'000
<u>Note 1.1B: Impairment loss allowance on financial assets</u>		
Impairment on trade and other receivables	<u>16,658</u>	<u>14,864</u>
Total Impairment loss allowance on financial assets	<u>16,658</u>	<u>14,864</u>

Note 1.1C: Writedown and impairment of non-financial assets

Land and buildings	8	-
Leasehold improvements	539	11
Vessels	-	163
Plant and equipment	635	1,772
Computer software	<u>260</u>	<u>3,348</u>
Total writedown and impairment of non-financial assets	<u>1,442</u>	<u>5,294</u>

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

1.2 Own-source revenue and gains

	2019	2018
	\$'000	\$'000
<u>Note 1.2A: Sale of goods and rendering of services</u>		
Rendering of services	155,871	124,759
Sale of goods	382	663
Total sale of goods and rendering of services	156,253	125,422
<u>Note 1.2B: Recovery of costs</u>		
Merchant fees	26,679	16,918
Legal	19,240	17,204
Cross-agency services and activities	14,226	1,494
Insurance recoveries	513	103
Other	1,103	4,175
Total recovery of costs	61,761	39,894
<u>Note 1.2C: Other revenue</u>		
Resources received free of charge		
Property related	7,598	7,598
Remuneration of auditors	1,175	1,175
Other resources received free of charge ^a	1,027	12,434
Other revenue	475	493
Total other revenue	10,275	21,700

- a. Other resources received free of charge includes services totalling \$11.928 million in 2017-18 provided by losing entities in connection with activities transferred to the Department as a result of restructuring. No such transactions occurred in 2018-19. Refer to Note 8.2 for further information in connection with restructuring.

Department of Home Affairs

Notes to and forming part of the financial statements

	2019	2018
	\$'000	\$'000
<u>Note 1.2D: Gains</u>		
Gain on sale of non-financial assets	2	57
Foreign exchange gains	28	39
Reversal of impairment for financial instruments	2,006	1,724
Reduction in provision for restoration obligations	3,660	554
Resources received free of charge	98	1,908
Other	433	1,092
Total gains	6,227	5,374

Accounting policy

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

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

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

Revenue from rendering of services

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

Resources received free of charge

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

Department of Home Affairs

Notes to and forming part of the financial statements

2. Income and expenses administered on behalf of Government

2.1 Administered – income

	2019	2018
	\$'000	\$'000
<u>Note 2.1A: Taxation revenue</u>		
Customs duty	15,943,177	15,688,978
Visa Application Charges	2,330,427	2,026,328
Passenger Movement Charges	1,191,607	1,134,314
Other taxes		
Import Processing Charges	426,211	417,207
Licenses	15,324	14,610
Total taxation revenue	19,906,746	19,281,437
<u>Note 2.1B: Other revenue</u>		
Special account	17,637	-
Recovery of detention costs	6,682	11,465
Fines, penalties and prosecution	6,805	4,866
Other	2,621	4,115
Total other revenue	33,745	20,446
<u>Note 2.1C: Gains</u>		
Recovery of prior year expenditure	21,798	-
Other gains	782	2,297
Total gains	22,580	2,297

Accounting policy

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

Department of Home Affairs

Notes to and forming part of the financial statements

Customs duty

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

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

Visa Application Charges

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

Passenger Movement Charge (PMC)

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

Import Processing Charges (IPC)

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

Penalties, fines and prosecutions

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

Key accounting judgements and estimates

Customs duty

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

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

2.2 Administered – expenses

	2019	2018
	\$'000	\$'000
<u>Note 2.2A: Suppliers</u>		
Services rendered		
Garrison and accommodation	500,778	501,402
Support and settlement services	448,329	508,359
Security	256,479	265,727
Health services	120,770	99,380
Travel and transport	81,376	92,097
Property	45,848	80,668
Insurance legal and litigation	31,191	37,691
Information technology and communications	11,697	14,378
Contractors	17,579	6,868
Consultants	3,663	4,641
Other	310	1,333
Total services rendered	1,518,020	1,612,544
Operating lease rentals	2,830	38
Total suppliers	1,520,850	1,612,582
Future minimum operating lease payments		
Commitments for minimum lease payments under non-cancellable operating leases are payable as follows:		
Within 1 year	2,821	87
Between 1 and 5 years	4,238	234
Total future minimum operating lease payments	7,059	321
The Department in its capacity as lessee has two leasing arrangements.		
a.	A property lease for an onshore Immigration Detention Centre site. This lease contains renewal terms allowing the Department to extend the lease period.	
b.	A lease for dedicated airframe resources. This lease contains renewal terms allowing the Department to extend the lease period.	
<u>Note 2.2B: Personal benefits</u>		
Status resolution, refugee and humanitarian services		
Direct	68,355	136,141
Indirect	80,741	98,235
State payments – refugee minors - indirect	9,090	10,982
Total status resolution, refugee and humanitarian services	158,186	245,358
Payment to victims of natural disasters - direct	120,473	-
Other services – direct	790	374
Total personal benefits	279,449	245,732

Department of Home Affairs

Notes to and forming part of the financial statements

Accounting policy

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

	2019	2018
	\$'000	\$'000
Note 2.2C: Gifting, grants and contributions		
Gifting of public property ^a	2,598	255,554
Current grants and contributions		
State and territory governments	-	1,520
Non-profit organisations	80,583	10,542
Overseas organisations	14,094	6,533
Total current grants and contributions	94,677	18,595
Total gifting, grants and contributions	97,275	274,149

- a. Gifting of public property in 2017-18 includes the carrying amount of items of property, plant, and equipment totalling \$245.691 million that were gifted to the Government of Papua New Guinea. No such transactions occurred in 2018-19.

Accounting policy

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

Gifting of public property

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

Current grants and contributions

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

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

	2019	2018
	\$'000	\$'000
<u>Note 2.2D: Writedown and impairment of other assets</u>		
Financial assets	27,513	8,422
Non-financial assets ^a		
Land and buildings	345	12,961
Leasehold improvements	-	35,048
Plant and equipment	-	7,853
Total writedown and impairment of other assets	27,858	64,284
<p>a. Writedown and impairment of non-financial assets in 2017-18 includes an impairment loss of \$45.228 million in connection with items that were subsequently gifted to the Government of Papua New Guinea. No such transactions occurred in 2018-19. Refer to Note 2.2C for further information in connection with gifting of public property.</p>		
<u>Note 2.2E: Other expenses</u>		
Foreign exchange losses – Non-speculative	567	1,502
Act of grace payments	452	44
Debt waivers	401	1,015
Other	3,555	11
Total other expenses	4,975	2,572

Department of Home Affairs

Notes to and forming part of the financial statements

3. Departmental financial position		
3.1 Financial assets		
	2019	2018
	\$'000	\$'000
<u>Note 3.1A: Cash and cash equivalents</u>		
Cash at bank	5,782	3,409
Cash on hand or on deposit	100	110
Total cash and cash equivalents	5,882	3,519
<u>Note 3.1B: Trade and other receivables</u>		
Goods and services receivable (gross)	22,516	72,649
Appropriations receivable		
Existing programs	404,768	417,938
Accrued for additional outputs	51,032	7,407
Total appropriations receivable	455,800	425,345
Other receivables		
Statutory receivables	23,991	39,963
Legal recoveries	45,947	36,162
Other	10,477	8,440
Total other receivables (gross)	80,415	84,565
Less impairment loss allowance	(39,218)	(28,159)
Total trade and other receivables (net)	519,513	554,400

Department of Home Affairs

Notes to and forming part of the financial statements

Accounting policy

Financial assets are measured at amortised cost using the effective interest method less allowances for impairment losses. Contractual receivables arising from the sale of goods, rendering of services and recovery of costs have 30 day trading terms and are initially recognised at the nominal amounts due. Allowances for impairment losses on contractual receivables are recognised using a simplified approach for calculating expected credit losses (ECLs). Receivables that are statutory in nature are amounts determined under legislation or by court order. Allowances for impairment losses on statutory receivables are recognised when:

- indicators that an impairment loss event occurring exist; and
- the expected recoverable amount is less than the statutory value.

Key accounting judgements and estimates

Impairment of financial assets

Impairment loss allowances are recognised for contractual and statutory receivables. The allowance for contractual receivables is determined based on historical credit loss experience which is used to estimate future ECLs. The allowance based on historical credit loss experience is adjusted for forward-looking factors specific to individual debtors. The recoverable amount for statutory receivables is assessed either for individual debtors when a particular loss event is identified or based on historical loss experience when debtors are assessed collectively. Impairment losses are recognised in the statement of comprehensive income.

Department of Home Affairs

Notes to and forming part of the financial statements

3.2 Non-financial assets

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

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Vessels \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2018							
Gross book value	20,220	38,434	173,038	348,238	386,329	1,305,468	2,271,727
Accumulated depreciation, amortisation and impairment	-	(584)	(17,675)	(5,554)	(53,050)	(749,971)	(826,834)
Total as at 1 July 2018	20,220	37,850	155,363	342,684	333,279	555,497	1,444,893
Additions							
Purchased	-	87	126,642	849	64,175	27,376	219,129
Internally developed	-	-	-	-	-	172,060	172,060
Reclassifications	-	981	643	5,985	239	(7,848)	-
Depreciation and amortisation	-	(3,897)	(44,950)	(29,262)	(105,653)	(161,163)	(344,925)
Disposals	-	-	(7)	-	(3)	-	(10)
Writedowns	-	(8)	(1,312)	-	(635)	(260)	(2,215)
Other movements	-	1	(1)	(1)	-	2	1
Total as at 30 June 2019	20,220	35,014	236,378	320,255	291,402	585,664	1,488,933
Total as at 30 June 2019 represented by							
Gross book value – fair value (recurring)							
Assets in use	20,220	39,250	277,470	354,784	401,555	-	1,093,279
Assets under construction	-	-	13,586	-	36,265	-	49,851
Gross book value – at cost							
Internally developed – assets under construction	-	-	-	-	-	195,525	195,525
Internally developed – assets in use	-	-	-	-	-	1,115,440	1,115,440
Purchased	-	-	-	-	-	96,468	96,468
Accumulated depreciation, amortisation and impairment ^a	-	(4,236)	(54,678)	(34,529)	(146,418)	(821,769)	(1,051,630)
Total as at 30 June 2019	20,220	35,014	236,378	320,255	291,402	585,664	1,488,933

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

Department of Home Affairs

Notes to and forming part of the financial statements

No material property, plant and equipment or intangibles are expected to be sold or disposed of within the next 12 months. No indicators of impairment were found for property, plant and equipment or intangibles as at 30 June 2019.

Revaluation of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated below. The Department engaged the services of Jones Lang LaSalle, IP, Inc. to conduct the revaluations as at 30 June 2019.

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

As at 30 June 2019, contractual commitments for the acquisition of property, plant and equipment and intangible assets amounted to \$12.068 million (2017-18: \$55.167 million).

Accounting policy

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

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

Asset recognition threshold

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

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

Revaluations

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

Department of Home Affairs

Notes to and forming part of the financial statements

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

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

Depreciation and amortisation

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

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

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

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

Componentisation of non-financial assets

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

Impairment

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

Department of Home Affairs

Notes to and forming part of the financial statements

Assets under construction

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

De-recognition

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

Key accounting judgements and estimates

Fair value measurement

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

Market Approach

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

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

Cost Approach

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

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

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

Department of Home Affairs

Notes to and forming part of the financial statements

3.3 Payables

	2019	2018
	\$'000	\$'000
Note 3.3A: Suppliers		
Trade creditors and accruals	221,864	270,947
Operating lease rentals	24,162	17,922
Total suppliers	246,026	288,869

Accounting policy

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

Note 3.3B: Other payables

Wages and salaries	9,303	9,396
Superannuation	1,689	1,559
Unearned income	16,164	7,518
Separations and redundancies	7,603	7,871
Other	35	56
Total other payables	34,794	26,400

Department of Home Affairs

Notes to and forming part of the financial statements

3.4 Provisions

Note 3.4A: Other provisions

	Restoration obligations ^a	Onerous contracts ^b	Claims for damages or legal costs ^c	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018	47,697	592	-	48,289
Additional provisions made	6,022	1,775	7,427	15,224
Amounts reversed	(6,880)	-	-	(6,880)
Amounts used	-	(561)	-	(561)
Unwinding of discount or change in discount rate	2,529	-	-	2,529
Total as at 30 June 2019	49,368	1,806	7,427	58,601

- The Department has 277 (2017-18: 293) agreements for leased premises both in Australia and overseas with obligations that require the premises to be restored to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of these obligations.
- The Department has 10 (2017-18: 4) agreements for leased premises which are surplus to its requirements. The Department has made a provision to reflect the present value of unavoidable future costs that exceed any expected economic benefit.
- The Department has taken up a provision for legal costs relating to current claims not yet settled.

Accounting policy

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

Provision for restoration obligations

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

Provision for onerous contracts

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

Provision for claims for damages or legal costs

Provisions for legal matters are recognised when a present obligation exists and is probable that an outflow will be required to settle that obligation. The original estimates for future costs associated with claims for damages or costs are discounted to their present value.

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

4. Assets and liabilities administered on behalf of Government		
4.1 Administered – financial assets		
	2019	2018
	\$'000	\$'000
<u>Note 4.1A: Cash and Cash Equivalents</u>		
Cash on hand or on deposit	67,199	54,100
Cash in special accounts	1,203	-
Total cash and cash equivalents	68,402	54,100
<u>Note 4.1B: Taxation receivables</u>		
Customs duty	392,699	377,790
Visa Application Charges	6,717	7,355
Passenger Movement Charge	152,635	160,607
Import Processing Charges and licences	2,518	1,731
Total taxation receivables (gross)	554,569	547,483
Less impairment loss allowance	(33,669)	(18,785)
Total taxation receivables (net)	520,900	528,698
<u>Note 4.1C: Non-taxation receivables</u>		
Personal benefits	20,504	23,779
Penalties, fines and prosecutions	7,228	5,184
Statutory receivables	22,713	22,615
Loans receivable – state and territory governments	74,406	88,867
Other	7,382	9,213
Total non-taxation receivables (gross)	132,233	149,658
Less impairment loss allowance	(25,781)	(24,512)
Total non-taxation receivables (net)	106,452	125,146

Department of Home Affairs

Notes to and forming part of the financial statements

Accounting policy

Taxation receivables

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

Non-taxation receivables

Non-taxation receivables that are statutory in nature are held at statutory value less amounts for impairment loss allowances. Contractual non-taxation receivables with fixed or determinable payments and receipts are initially recognised at cost unless the transaction price differs from fair value in which case, initial recognition is at fair value. Any difference between cost and fair value is recognised as a loss in the statement of comprehensive income. Non-taxation receivables are subsequently measured at amortised cost using the effective interest method less allowances for impairment losses.

Key accounting judgements and estimates

Valuation of loans receivable

A difference between cost and fair value is identified for loans provided with conditions that are more favourable than would otherwise be available to the borrower. Fair value is assessed as the discounted present value of future payments and receipts using the prevailing market rate.

Impairment of loans receivable

Impairment loss allowances are recognised for loans and receivables determined based on a 12 month ECL approach. Lifetime ECLs are estimated based on the portion of ECLs that result from possible default events on the loan within the 12 months after reporting date. Estimates are used to determine possible default events and the likelihood of these occurring. If there is a significant increase in credit risk since initial recognition, the impairment loss allowance is measured at an amount equal to lifetime ECLs.

Department of Home Affairs

Notes to and forming part of the financial statements

4.2 Administered – non-financial assets

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

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2018						
Gross book value	56,602	688,381	113,876	264,552	534	1,123,945
Accumulated depreciation, amortisation and impairment	-	(4,864)	(1,420)	(5,694)	(98)	(12,076)
Total as at 1 July 2018	56,602	683,517	112,456	258,858	436	1,111,869
Additions						
Purchased	-	22,719	4,997	12,866	-	40,582
Internally developed	-	-	-	-	157	157
Existing assets first recognised	-	-	-	297	-	297
Revaluations and impairments recognised in other comprehensive income	6,808	-	-	-	-	6,808
Reclassifications	-	(15,985)	4,625	10,388	972	-
Depreciation and amortisation	-	(69,941)	(12,035)	(31,976)	(410)	(114,362)
Writedowns	(345)	-	-	-	-	(345)
Other movements	-	(1)	-	(1)	1	(1)
Total as at 30 June 2019	63,065	620,309	110,043	250,432	1,156	1,045,005
Total as at 30 June 2019 represented by						
Gross book value – fair value (recurring)						
Assets in use	55,285	667,657	123,399	284,185	-	1,130,526
Assets held for sale	7,780	-	-	-	-	7,780
Assets under construction	-	26,019	-	3,577	-	29,596
Gross book value – at cost						
Internally developed – assets in use	-	-	-	-	1,198	1,198
Purchased	-	-	-	-	459	459
Accumulated depreciation, amortisation and impairment ^a	-	(73,367)	(13,356)	(37,330)	(501)	(124,554)
Total as at 30 June 2019	63,065	620,309	110,043	250,432	1,156	1,045,005

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

Department of Home Affairs

Notes to and forming part of the financial statements

No indicators of impairment were found for property, plant and equipment or intangible assets as at 30 June 2019.

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

As at 30 June 2019, contractual commitments for the acquisition of administered property, plant and equipment and intangible assets amounted to \$5.497 million (2017-18: \$25.154 million).

Department of Home Affairs

Notes to and forming part of the financial statements

4.3 Administered – payables

	2019	2018
	\$'000	\$'000
Note 4.3A: Personal benefits		
Direct	1,446	3,285
Indirect	17,419	14,477
State payments – refugee minors - indirect	1,950	2,764
Total personal benefits	20,815	20,526

4.4 Administered – provisions

	Bonds	Security deposits	Total
	\$'000	\$'000	\$'000
As at 1 July 2018	8,039	1,372	9,411
Additional provisions made	17,426	8,755	26,181
Amounts refunded	(15,988)	(989)	(16,977)
Amounts forfeited	(1,128)	-	(1,128)
Total as at 30 June 2019	8,349	9,138	17,487

Accounting policy

Provision for bonds and security deposits

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

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

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

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

Department of Home Affairs

Notes to and forming part of the financial statements

5. Funding

5.1 Appropriations

Note 5.1A: Annual appropriations (recoverable GST exclusive)

Annual appropriations for 2019

	Appropriation Act		PGPA Act		Total appropriation \$'000	Appropriation applied in 2019 (current and prior years) \$'000	Variance ^d \$'000
	Annual appropriation ^a \$'000	AFM ^b \$'000	Section 74 receipts \$'000	Section 75 transfers \$'000			
Departmental							
Ordinary annual services	2,624,062	52,560	278,107	4,638	2,959,367	(2,872,829)	86,538
Capital Budget ^c	137,575	-	-	-	137,575	(113,710)	23,865
Other services							
Equity injections	120,842	-	-	-	120,842	(172,223)	(51,381)
Total departmental	2,882,479	52,560	278,107	4,638	3,217,784	(3,158,762)	59,022
Administered							
Ordinary annual services							
Administered items	2,031,739	-	-	-	2,031,739	(1,676,834)	354,905
Capital Budget ^c	20,567	-	-	-	20,567	(6,721)	13,846
Other services							
Administered assets and liabilities	491	-	-	-	491	(52,185)	(51,694)
States, ACT, NT and local government	-	-	-	-	-	(525)	(525)
Total administered	2,052,797	-	-	-	2,052,797	(1,736,265)	316,532

Department of Home Affairs

Notes to and forming part of the financial statements

Annual appropriations for 2018

	Appropriation Act		PGPA Act		Total appropriation \$'000	Appropriation applied in 2018 (current and prior years) \$'000	Variance ^d \$'000
	Annual appropriation ^a \$'000	AFM ^b \$'000	Section 74 \$'000	Section 75 \$'000			
Departmental							
Ordinary annual services	2,522,263	-	99,373	76,288	2,697,924	(2,662,510)	35,414
Capital Budget ^c	114,636	-	-	12,457	127,093	(130,780)	(3,687)
Other services							
Equity	265,628	-	-	1,124	266,752	(262,710)	4,042
Total departmental	2,902,527	-	99,373	89,869	3,091,769	(3,056,000)	35,769
Administered							
Ordinary annual services							
Administered items	2,018,042	-	-	53,763	2,071,805	(1,830,655)	241,150
Capital Budget ^c	26,670	-	-	1,866	28,536	(18,248)	10,288
Other services							
Administered assets and liabilities	6,119	-	-	20,708	26,827	(46,121)	(19,294)
States, ACT, NT and local government	-	-	-	3,338	3,338	(930)	2,408
Total administered	2,050,831	-	-	79,675	2,130,506	(1,895,954)	234,552

- Appropriations as per Appropriation Acts (1 through 6). Departmental appropriations do not lapse at financial year end, however the responsible Minister may decide that part or all of a departmental or administered appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is reflected by the Finance Minister's determination. Such determinations for the 2018–19 year are reflected in the relevant line.
- Advance to the Finance Minister.
- Capital Budgets are appropriated through Appropriation Act (No. 1, No.3 and No.5 where applicable). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.
- The Departmental 'Other services' equity variance relates to drawdowns from prior year appropriations. The Administered 'Other services' 'Administered assets and liabilities' variance relates to drawdowns from prior year appropriations. The Administered 'Ordinary annual services' variance relates to not yet paid liabilities under outcomes.

Department of Home Affairs

Notes to and forming part of the financial statements

Note 5.1B: Unspent annual appropriations (recoverable GST exclusive)

	2019	2018
	\$'000	\$'000
Departmental		
<i>Appropriation Act (No. 1) 2015-2016^{a,c}</i>	-	1,589
<i>Appropriation Act (No. 2) 2015-2016^{a,d}</i>	-	14,639
<i>Appropriation Act (No. 3) 2015-2016^{a,e}</i>	-	36,765
<i>Appropriation Act (No. 1) 2016-2017^{b,h}</i>	2,700	2,700
<i>Appropriation Act (No. 2) 2016-2017^{b,i}</i>	13,319	13,319
<i>Appropriation Act (No. 1) 2017-2018 - Cash at Bank</i>	-	3,519
<i>Appropriation Act (No. 1) 2017-2018^k</i>	48	154,714
<i>Appropriation Act (No. 2) 2017-2018^l</i>	3,137	63,133
<i>Appropriation Act (No. 3) 2017-2018</i>	-	64,240
<i>Appropriation Act (No. 4) 2017-2018</i>	-	1,078
<i>Appropriation Act (No. 5) 2017-2018</i>	-	31,950
<i>Appropriation Act (No. 6) 2017-2018</i>	-	94,028
<i>Appropriation Act (No. 1) 2018-2019 - Cash at Bank</i>	5,882	-
<i>Appropriation Act (No. 1) 2018-2019^o</i>	164,687	-
<i>Appropriation Act (No. 2) 2018-2019</i>	75,960	-
<i>Appropriation Act (No. 3) 2018-2019^o</i>	194,207	-
<i>Appropriation Act (No. 4) 2018-2019^p</i>	27,761	-
Total Departmental	487,701	481,674

Department of Home Affairs

Notes to and forming part of the financial statements

	2019	2018
	\$'000	\$'000
Administered		
<i>Appropriation Act (No. 1) 2015-2016^{a,c}</i>	-	206,343
<i>Appropriation Act (No. 2) 2015-2016^{a,d}</i>	-	7,522
<i>Appropriation Act (No. 3) 2015-2016^{a,e}</i>	-	50,871
<i>Appropriation Act (No. 4) 2015-2016^{a,f}</i>	-	62,985
<i>Supply Act (No. 1) 2016-2017^{b,g}</i>	408	408
<i>Appropriation Act (No. 1) 2016-2017^{b,h}</i>	230,366	230,367
<i>Supply Act (No. 2) 2016-2017^b</i>	23,297	23,297
<i>Appropriation Act (No. 2) 2016-2017^b</i>	26,981	77,899
<i>Appropriation Act (No. 3) 2016-2017^{b,j}</i>	53,789	53,789
<i>Appropriation Act (No. 4) 2016-2017^b</i>	18,212	19,638
<i>Appropriation Act (No. 1) 2017-2018 - Cash at Bank</i>	-	8,634
<i>Appropriation Act (No. 1) 2017-2018^k</i>	33,890	179,056
<i>Appropriation Act (No. 2) 2017-2018^l</i>	6,105	6,630
<i>Appropriation Act (No. 3) 2017-2018^m</i>	148,068	308,393
<i>Appropriation Act (No. 4) 2017-2018</i>	294	135
<i>Appropriation Act (No. 6) 2017-2018</i>	235	235
<i>Appropriation Act (No. 1) 2018-2019 - Cash at Bank</i>	21,866	-
<i>Appropriation Act (No. 1) 2018-2019</i>	274,506	-
<i>Appropriation Act (No. 2) 2018-2019</i>	206	-
<i>Appropriation Act (No. 3) 2018-2019</i>	386,506	-
<i>Appropriation Act (No. 4) 2018-2019</i>	285	-
Total Administered	1,225,014	1,236,202

Department of Home Affairs

Notes to and forming part of the financial statements

- a. Appropriation Acts repealed or lapsed during 2018-19.
- b. Appropriation Acts will lapse on 1 July 2019.

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

- c. Departmental: Nil (2017-18: \$1.589 million);
Administered: Nil (2017-18: \$205.431 million).
- d. Departmental: Nil (2017-18: \$14.639 million);
Administered: Nil (2017-18: \$7.112 million).
- e. Departmental: Nil (2017-18: \$36.765 million);
Administered: Nil (2017-18: \$50.656 million).
- f. Administered: Nil (2017-18: \$58.228 million).
- g. Administered: \$0.003 million (2017-18: \$0.003 million).
- h. Departmental: \$2.700 million (2017-18: \$2.700 million);
Administered: \$119.616 million (2017-18: \$229.855 million).
- i. Departmental: \$13.319 million (2017-18: \$13.319 million).
- j. Administered: \$37.569 million (2017-18: \$37.569 million).
- k. Departmental: \$0.048 million (2017-18: \$0.048 million);
Administered: \$33.890 million (2017-18: nil).
- l. Departmental: \$3.137 million (2017-18: \$3.137 million);
Administered: \$0.200 million (2017-18: \$0.200 million).
- m. Administered \$148.068 million (2017-18: nil).
- n. Departmental: \$43.086 million (2017-18: nil). This amount includes \$42.059 million appropriated through the Advance to the Finance Minister Determination (No.2 of 2018-2019).
- o. Departmental: \$17.779 million (2017-18: nil).
- p. Departmental: \$0.166 million (2017-18: nil).

Accounting policy

Revenue from Government

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

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

Equity injections

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

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

			2019	2018
			\$'000	\$'000
<u>Note 5.1C: Special appropriations applied (Recoverable GST exclusive)</u>				
Authority	Type	Purpose		
<i>Public Governance, Performance and Accountability Act 2013, Section 77</i>	Unlimited account	Repayments required or permitted by law	648,107	453,523
<i>Social Security (Administration) Act 1999, Section 242</i>	Unlimited account	To provide for income support payments	120,379	691
<i>Taxation Administration Act 1953, Section 16</i>	Refund	Refund of receipts to individuals under the tourist refund scheme	255,573	227,643
Total special appropriations applied			<u>1,024,059</u>	<u>681,857</u>

Department of Home Affairs

Notes to and forming part of the financial statements

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

	DSS^a	ATO^b	DSS^a	ATO^b
	2019	2019	2018	2018
	\$'000	\$'000	\$'000	\$'000
Total receipts	1,793	255,573	2,353	227,643
Total payments	(1,793)	(255,573)	(2,353)	(227,643)

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

2019	2018
\$'000	\$'000

Note 5.1E: Net cash appropriation arrangements

Total comprehensive loss as per the statement of comprehensive income	(341,459)	(289,216)
Depreciation/amortisation expenses previously funded through revenue appropriation	344,925	290,529
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations	3,466	1,313
Changes in asset revaluation reserve	(3,231)	(35,212)
Surplus/(deficit) attributable to the Australian Government less depreciation/amortisation expenses previously funded through revenue appropriation	235	(33,899)

Department of Home Affairs

Notes to and forming part of the financial statements

5.2 Statutory conditions for payments from the Consolidated Revenue Fund

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

Collection and refund of Customs Duty

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

The enactment of the amendment to the *Customs Act 1901* effected by the *Home Affairs Legislation Amendment (Miscellaneous Measure) Act 2019* on 1 March 2019 provided that overpayments made in good faith no longer give rise to a breach of Section 83. The Department however, continues to follow up potential overpayments and seek recovery where applicable.

The Department's compliance governance and management oversight arrangements for the collection of Customs Duty are in place to provide oversight of high risk transactions and subsequently provide stakeholders with assurance of compliance with the requirements of Section 83. The analysis for 2018-19 identified 165 (2017-18:417) breaches, totalling approximately \$900,565 (2017-18: \$419,332) in relation to payments made under Section 77 of the PGPA Act. As at 30 June 2019, \$507,733 (2017-18: \$320,201) of these amounts had been recovered or offset. The Department expects to recover or offset the remaining balance.

Department of Home Affairs

Notes to and forming part of the financial statements

5.3 Special accounts

Note 5.3A: Special accounts (recoverable GST exclusive)

Special Account (administered)	POCA	SOETM	POCA	SOETM
	2019	2019	2018	2018
	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	-	-	-	-
Increases				
Restructuring	6,593	519	-	-
Other receipts	16,548	1,703	-	-
Total increases	23,141	2,222	-	-
Total available for payments	23,141	2,222	-	-
Decreases				
Administered				
Payments made to grant recipients	(18,755)	(1,135)	-	-
Payments made - property, plant and equipment	-	(273)	-	-
Payments made - intangibles	-	(157)	-	-
Funds returned to confiscated assets account	(3,840)	-	-	-
Total administered decreases	(22,595)	(1,565)	-	-
Total decreases	(22,595)	(1,565)	-	-
Total balance carried to the next period	546	657	-	-

Proceeds of Crime Act 2002 programs special account

The *Proceeds of Crime Act 2002* programs (POCA) special account was operative from 1 July 2018 under *PGPA Act Determination (POCA Programs Special Account 2018)* for the purpose of receiving amounts from the confiscated assets account (managed by the Australian Financial Security Authority) and other special accounts in order to make payments for POCA programs.

Services for other entities and trust moneys special account

The services for other entities and trust moneys (SOETM) special account was operative from 1 July 2018 under *PGPA Act Determination (Home Affairs SOETM Special Account 2018)* for the purposes of crediting and disbursing amounts that are seized, found or forfeited to the Department; amounts received from other entities in order to carry out joint activities; and other activities.

Department of Home Affairs

Notes to and forming part of the financial statements

5.4 Regulatory charging summary

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

	2019	2018
	\$'000	\$'000
Amounts applied		
Departmental		
Annual appropriations ^a	451,921	419,335
Total amounts applied	451,921	419,335
Expenses		
Departmental	501,582	470,472
Total expenses	501,582	470,472
External revenue		
Departmental ^b	13,249	7,661
Administered	471,389	483,424
Total external revenue	484,638	491,085

- Annual appropriations include the cash component of expenses and any capital amounts for the given year. This will exclude the non-cash expenses of depreciation and amortisation and movement in provisions.
- Charges collected for Import Processing Charges (IPC) and Auscheck background checking service as revenue under S74 of the PGPA Act.

Cost recovered activities

Australian citizenship applications

The Department implements cost recovery arrangements for processing applications to acquire, renounce or resume Australian citizenship. Activities that are cost recovered include the assessment of applications and management of citizenship test resources, the provision of call centre and online support to applicants, the production and distribution of certificates, and the facilitation of some citizenship ceremonies. Costs are recovered through fees charged on applications, which are administered in nature. Fees differ by the type of application and eligibility of the applicant, and are set to recover the cost of processing each application. Charges recovered in relation to citizenship totalled \$40.918 million (2017-18: \$61.986 million). Expenses totalled \$70.657 million (2017-18: \$58.757 million).

Department of Home Affairs

Notes to and forming part of the financial statements

Import Processing Charges and licensing charges

Import Processing Charges (IPC) and licensing charges recover the costs of the Department's cargo and trade related activities. This includes fees for warehouse, depot and broker licences, warehouse declarations fees, location, time and travel fees along with the processing charges associated with administering the importation of goods into Australia. The majority of charges collected are administered in nature, however Government agreed that some charges be collected as departmental revenue. Charges recovered in relation to IPC and licensing totalled \$431.208 million (2017-18: \$422.342 million). Expenses totalled \$417.194 million (2017-18: \$404.931 million).

AusCheck Background Checking Service

The AusCheck Background Checking Service coordinates national security background checks and related functions for the aviation, maritime and national health security schemes. The enabling legislation is the *AusCheck Act 2007* and the *AusCheck Regulations 2017*. Charges recovered by the Department in relation to AusCheck Background Checking Service totalled \$12.513 million (2017-18: \$6.757 million) and expenses totalled \$13.731 million (2017-18: \$6.784 million).

Department of Home Affairs

Notes to and forming part of the financial statements

6. People

6.1 Employee expenses and provisions

	2019	2018
	\$'000	\$'000
<u>Note 6.1A: Employee benefits</u>		
Wages and salaries	936,186	895,886
Superannuation		
Defined contribution plans	110,149	97,880
Defined benefit plans	106,268	106,872
Leave and other entitlements	288,655	257,393
Separation and redundancies	5,705	7,058
Other employee expenses	71,416	75,055
Total employee benefits	1,518,379	1,440,144
<u>Note 6.1B: Employee provisions</u>		
Leave	470,463	441,845
Other	3,652	2,233
Total employee provisions	474,115	444,078

The 2018-19 average staffing level for the Department was 13,959 (2017-18: 13,892).

Accounting policy

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

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

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is expected to be taken, including the Department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for long service leave has been determined by reference to the work of an actuary as at 30 May 2018. Future salary rates are estimated for financial reporting purposes based on historical analysis, policy settings and, for long service leave, actuarial advice is obtained.

Department of Home Affairs

Notes to and forming part of the financial statements

Locally engaged employees

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

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

Separation and redundancy

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

Superannuation

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

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

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

Key accounting judgements and estimates

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

Department of Home Affairs

Notes to and forming part of the financial statements

6.2 Key management personnel remuneration

	2019	2018
	\$	\$
<u>Key management personnel remuneration expenses</u>		
Short-term employee benefits	5,486,666	4,139,672
Post-employment benefits	871,943	643,613
Other long-term employee benefits	156,644	1,174,956
Total key management personnel remuneration expenses	6,515,253	5,958,241

The number of key management personnel included in the above table is 16 (2017-18: 16). As this number includes managers who were only employed by the Department for part of the year, on the basis of full time equivalency, the number of key management personnel directly remunerated during 2018-19 was 12.97 (2017-18: 11.24).

Total remuneration for key management personnel includes resources received free of charge amounting to \$855,427 (2017-18: \$329,250). Refer to note 1.2C for further information in connection with resources received free of charge.

Key management personnel remuneration

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

The remuneration of key management personnel within the table above excludes the remuneration and other benefits of Portfolio and Cabinet Ministers. Portfolio and Cabinet Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Department.

6.3 Related party relationships

The Department is an Australian Government controlled entity. The Department's related parties are key management personnel (including Portfolio and Cabinet Ministers) and other Australian Government entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact within the Government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of duties, taxes or other fees. Additionally, related parties may transact within the government sector as part of ordinary operations that are subject to standard processes for procurement and employment. These transactions have not been separately disclosed in this note.

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

Department of Home Affairs

Notes to and forming part of the financial statements

7. Managing uncertainties

7.1 Contingent assets and liabilities

	Other contingent assets	Other contingent assets
	2019	2018
	\$'000	\$'000
Contingent assets		
Balance from previous period	1,150	1,893
New contingent assets recognised	-	122
Re-measurement	(1,150)	150
Assets realised	-	(1,015)
Total contingent assets	-	1,150

As at 30 June 2019 the Department had no quantifiable contingent liabilities (2017-18: nil).

Unquantifiable contingencies

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

The Department has unquantifiable contingencies in relation to potential underpayments of employee on costs.

Accounting policy

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

Department of Home Affairs

Notes to and forming part of the financial statements

7.2 Administered – contingent assets and liabilities

As at 30 June 2019 the Department had no quantifiable contingent assets (2017-18: nil) or liabilities (2017-18: nil).

Unquantifiable administered contingencies

Claims and legal actions

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

Revenue collection securities

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

Indemnities provided to state and territory governments

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

Financial assistance for Australian victims of terrorism overseas

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

Natural disaster relief and recovery arrangements

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

Limited liabilities

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

Department of Home Affairs

Notes to and forming part of the financial statements

7.3 Financial instruments

	2019	2018
	\$'000	\$'000
Note 7.3A: Categories of financial instruments		
Financial assets under AASB 139 - loans and receivables		
Cash and cash equivalents		3,519
Trade and other receivables		81,469
Total financial assets under AASB 139		84,988
Financial assets under AASB 9 - measured at amortised cost		
Cash and cash equivalents	5,882	
Trade and other receivables	31,183	
Other financial assets	909	
Total financial assets under AASB 9	37,974	
Total financial assets	37,974	84,988
Financial liabilities		
Financial liabilities measured at amortised cost		
Suppliers	221,864	270,947
Total financial liabilities measured at amortised cost	221,864	270,947
Total financial liabilities	221,864	270,947

Classification of financial instruments on initial application of AASB 9 *Financial Instruments*

The Department first adopted AASB 9 *Financial Instruments* on 1 July 2018. Upon initial application, financial assets previously recognised as loans and receivables under AASB 139 *Financial Instruments* were reclassified to financial assets measured at amortised cost. Adjustments to the carrying amounts upon initial application were recognised as adjustments for changes in accounting policies within the opening balance of retained earnings in the statement of changes in equity.

Department of Home Affairs

Notes to and forming part of the financial statements

	AASB 139 30 June 2018 \$'000	Reclassified \$'000	AASB 9 1 July 2018 \$'000
Loans and receivables			
Cash and cash equivalents	3,519	(3,519)	-
Trade and other equivalents	81,469	(81,469)	-
Total loans and receivables	84,988	(84,988)	-
Financial assets measured at amortised cost			
Cash and cash equivalents	-	3,519	3,519
Trade and other equivalents	-	81,469	81,469
Total financial assets measured at amortised cost	-	84,988	84,988

	2019 \$'000	2018 \$'000
Note 7.3B: Categories of administered financial instruments		
Financial assets under AASB 139 - loans and receivables		
Cash and cash equivalents		54,100
Non-taxation receivables		89,441
Total financial assets under AASB 139		143,541
Financial assets under AASB 9 - measured at amortised cost		
Cash and cash equivalents	68,402	
Non-taxation receivables	75,200	
Total financial assets under AASB 9	143,602	
Total financial assets	143,602	143,541
Financial liabilities measured at amortised cost		
Suppliers	353,922	311,647
Grants and contributions payable	12,497	9,129
Total financial liabilities	366,419	320,776

Classification of administered financial assets on initial application of AASB 9 and reconciliation of carrying amounts on the date of initial application

Upon initial application, administered financial assets previously classified as loans and receivables under AASB 139 *Financial Instruments: Recognition and Measurement* were reclassified to financial assets measured at amortised cost. Adjustments to the carrying amounts upon initial application were recognised as adjustments for changes in accounting policies within the opening balance of assets less liabilities in the administered reconciliation scheduled.

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

	AASB 139		AASB 9
	30 June 2018	Reclassified	1 July 2018
	\$'000	\$'000	\$'000
Loans and receivables			
Cash and cash equivalents	54,100	(54,100)	-
Non-taxation receivables	89,441	(89,441)	-
Total loans and receivables	143,541	(143,541)	-
Financial assets measured at amortised cost			
Cash and cash equivalents	-	54,100	54,100
Non-taxation receivables	-	89,441	89,441
Total financial assets measured at amortised cost	-	143,541	143,541

Department of Home Affairs

Notes to and forming part of the financial statements

8. Other information

8.1 Aggregate assets and liabilities

	2019 \$'000	2018 \$'000
<u>Note 8.1A: Aggregate Assets and Liabilities</u>		
Assets expected to be recovered in:		
No more than 12 months	610,585	626,697
More than 12 months	<u>1,535,233</u>	<u>1,506,032</u>
Total assets	<u>2,145,818</u>	<u>2,132,729</u>
Liabilities expected to be settled in:		
No more than 12 months	433,382	434,855
More than 12 months	<u>481,557</u>	<u>375,955</u>
Total liabilities	<u>914,939</u>	<u>810,810</u>

Note 8.1B: Administered - Aggregate Assets and Liabilities

Assets expected to be recovered in:		
No more than 12 months	651,438	645,808
More than 12 months	<u>1,093,543</u>	<u>1,174,155</u>
Total assets	<u>1,744,981</u>	<u>1,819,963</u>
Liabilities expected to be settled in:		
No more than 12 months	417,548	368,859
More than 12 months	<u>23,554</u>	<u>22,826</u>
Total liabilities	<u>441,102</u>	<u>391,685</u>

Department of Home Affairs

Notes to and forming part of the financial statements

8.2 Restructuring

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

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

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

The Department assumed responsibility for the functions transferred as a result of the Administrative Arrangement Order dated 20 December 2017. Most activities associated with newly acquired functions were transferred in 2017-18 however certain activities associated with national security policy and operations were deferred until the establishment of the POCA and SOETM special accounts and additional appropriation funding associated with the National Security Branch which was transferred in 2018-19.

Function assumed	Year/s of transfer	Losing entity
National security policy and operations	2017-18 & 2018-19	AGD & PMC
Law enforcement policy and operations	2017-18	AGD
Multicultural affairs	2017-18	DSS
Transport security	2017-18	DIRDC
Cyber policy co-ordination	2017-18	PMC
Protective services at Commonwealth establishments and diplomatic and consular premises in Australia	2017-18	AGD
Critical infrastructure protection co-ordination	2017-18	AGD
Commonwealth emergency management	2017-18	AGD
Natural disaster relief, recovery and mitigation policy and financial assistance including payments to the States and Territories and the Australian Government Disaster Recovery Payment	2017-18	AGD

As a result of the Administrative Arrangement Orders dated 29 May 2019, the Department also assumed responsibility for:

- Settlement services for refugees and humanitarian migrants from the Department of Social Services; and
- Adult migrant education from the Department of Education.

These arrangements did not take effect until 1 July 2019.

Department of Home Affairs

Notes to and forming part of the financial statements

Note 8.2A: Departmental restructuring - functions assumed

	AGD	AGD	DIRDC	PMC	DSS	Total
	2019	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets acquired						
Cash and cash equivalents	-	-	27	-	-	27
Trade and other receivables	1,159	23,221	9,352	1,261	615	34,449
Leasehold improvements	-	12,336	3,251	-	-	15,587
Plant and equipment	-	11,161	351	-	-	11,512
Computer software	-	18,039	2,432	-	-	20,471
Other non-financial assets	-	311	435	-	-	746
Total assets acquired	1,159	65,068	15,848	1,261	615	82,792
Liabilities assumed						
Suppliers	-	2,599	323	-	-	2,922
Other payables	-	4,868	805	-	-	5,673
Employee provisions	-	13,312	8,427	1,345	650	23,734
Other provisions	-	-	290	-	-	290
Total liabilities assumed	-	20,779	9,845	1,345	650	32,619
Net assets acquired	1,159	44,289	6,003	(84)	(35)	50,173
Income for functions assumed						
Recognised by the Department	-	15,964	-	-	-	15,964
Recognised by the losing entity	-	17,684	266	-	-	17,950
Total income for functions assumed	-	33,648	266	-	-	33,914
Expenses for functions assumed						
Recognised by the Department	-	37,506	15,159	1,024	432	54,121
Recognised by the losing entity	-	54,610	24,446	4,177	1,068	84,301
Total expenses for functions assumed	-	92,116	39,605	5,201	1,500	138,422

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

Note 8.2B: Administered restructuring – functions assumed

	AGD	AGD	DIRDC	PMC	Total
	2019	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets acquired					
Cash and cash equivalents	-	-	-	-	-
Non-taxation receivables	7,112	105,113	-	-	105,113
Plant and equipment	-	1,880	-	-	1,880
Computer software	-	318	-	-	318
Prepayments	-	922	-	-	922
Total assets acquired	7,112	108,233	-	-	108,233
Liabilities assumed					
Suppliers	-	101	-	-	101
Grants and contributions	-	5,404	-	-	5,404
Total liabilities assumed	-	5,505	-	-	5,505
Net assets acquired	7,112	102,728	-	-	102,728
Income for functions assumed					
Recognised by the Department	16,502	1,538	-	-	1,538
Recognised by the losing entity	35	2,865	-	-	2,865
Total income for functions assumed	16,537	4,403	-	-	4,403
Expenses for functions assumed					
Recognised by the Department	22,747	30,189	22	2	30,213
Recognised by the losing entity	-	41,795	3	29	41,827
Total expenses for functions assumed	22,747	71,984	25	31	72,040

Department of Home Affairs

Notes to and forming part of the financial statements

8.3 Budgetary reporting

The following provides an explanation of the variance between the original budget figures as presented in the 2018-19 Portfolio Budget Statements (PBS) and the 2018-19 final actual result. The budget is not audited. The budget figures as published in the PBS have been restated to align with the presentation and classification adopted in the financial statements.

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

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

- Estimated actual outcomes were published in the 2017-18 PBS before the closing 2017-18 and opening 2018-19 Statement of Financial Position was known. This has a flow-on impact to closing balances of items in the 2018-19 PBS Statement of Financial Position;
- The original budget as presented in the 2018-19 PBS is amended by the Government throughout the year. The Department's budget for 2018-19 was updated as part of the 2018-19 Portfolio Additional Estimates Statements (PAES), and again as part of the PBS process where 'estimated actuals' for 2018-19 are presented as comparatives for the 2019-20 budget figures; and
- The Department is subject to a number of variable funding mechanisms which will automatically increase or decrease the Departmental revenue from government in the event that specified immigration and citizenship related activity levels deviate from those which were anticipated when the budget was prepared.

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

8.3A: Explanations for major budget variances

Departmental income

The total variation between departmental income and the original budget is an increase of \$274 million (or 10%). This increase can predominantly be attributed to:

- An additional \$234 million of appropriation revenue recognised over the course of the year that largely relates to a combination of variable funding model adjustments linked to higher than anticipated levels of activity, estimates variations relating to enhancing border protection capability, funding for the measure *Immigration Reform* provided in the PAES 2018-19, and supplementary funding for the measure *Regional Processing Arrangements – Christmas Island* provided in the 2019-20 PBS; and
- Increases in own source income of \$40 million predominantly relating to higher than forecast merchant fee recoveries and gains that largely relate to a reduction of restoration obligations and reversal of impairment of financial assets.

Departmental expenses

The total variance between departmental expenses and the original budget is an increase of \$366 million (or 13%). Increases in expenses can be predominantly attributed to:

- Employee benefit expenses were \$53 million higher than the original budget largely due to the decline in the 10 year government bond rate that required an upward revaluation of employee leave provisions;
- Supplier expenses were \$196 million higher than the original budget as a result of providing an increased level of service. The additional service predominantly relates to the following:
 - Additional costs relating to the measure *Immigration Reform*;
 - Additional costs relating to the measure *Regional Processing Arrangements – Christmas Island*;
 - Additional expenditure relating to enhancing border protection capabilities;
 - Increased merchant fees (recovered through own-source revenue); and
 - Additional expenses associated with property operating expenses, litigation fees, and software licences.

Department of Home Affairs

Notes to and forming part of the financial statements

- Depreciation expenses were \$86 million higher than the original budget because of increased capitalisations in leasehold assets, changes in useful lives due to adjustments in asset usage, and the timing of capitalisations differing from the forecast in the original budget.

Departmental assets

Total departmental assets are \$139 million higher (or 7%) than the original budgeted position.

Non-financial assets are \$111 million higher than the original budgeted position. Of this amount, \$33 million relates to the difference in the opening actuals balance in July 2018 compared to the original budget set in May 2018. The remaining balance (\$78 million) has been influenced by:

- An increase in leasehold improvements of \$129 million largely associated with the refurbishment of the Department's ACT accommodation;
- An increase in prepayments of \$42 million that is predominately related to a number of multi-year prepayments for IT software contracts which were not anticipated in the original budget; and
- The above has been offset by an increase in depreciation expense of \$86 million arising from new capitalisations and changes to useful lives of non-financial assets due to adjustments to asset usage.

Departmental liabilities

Total departmental liabilities are \$214 million (or 31%) higher than the original budgeted position. This can be predominantly attributed to:

- The employee provision balance being \$60 million higher than budgeted. This is largely the result of revaluation of leave provisions following the decline in the 10 year government bond rate. This resulted in a corresponding increase in employee expenses;
- Lease incentive liabilities relating to leasehold improvements of \$101 million associated with the refurbishment of the Department's ACT accommodation;
- Other provisions balance being \$23 million higher than budgeted that largely relates to a higher than budgeted provision for restoration obligations; and
- Suppliers payable balance being \$22 million higher than budgeted is a subset of the higher supplier expenses discussed in the departmental expenses section.

Departmental cash flow

The amounts reported in the departmental Cash Flow Statement are interrelated with figures disclosed in the Statement of Comprehensive Income and Statement of Financial Position. Consequently, variances in this Statement will be attributable to the relevant variance explanations provided above under departmental expenses, departmental revenue, departmental assets and departmental liabilities.

Department of Home Affairs

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8.3B: Explanations for major administered budget variances

Administered income

The total variation between administered income and the original budget estimate is a decrease of \$803 million (or 4%). This can be predominantly attributed to:

- Custom duty was \$556 million below the original budget estimate. This is largely due to the lower than estimated collections of Excise Equivalent Goods primarily attributable to tobacco, with import volumes lower than anticipated.
- Collections of Visa Application Charges was \$211 million below the original budget estimate. This is largely due to the lower than estimated revenue collection relating to Economic Migration and Temporary Residents.

Administered expenses

The total variation between administered expenses and the original budget estimate is an increase of \$324 million (or 19%). This can be predominantly attributed to:

- Administered supplier expenses were \$153 million higher than the original budget estimate. This largely relates to additional expenditure to support the delivery of activities under Program 1.4 – IMA Offshore Management for which the Department received supplementary funding at the 2018-19 PAES.
- Personal benefits expenses were \$105 million higher than the original budget as a result of payments of \$120 million made in relation to the Australian Government Disaster Recovery Payment program to individuals adversely impacted by the Far North Queensland Floods. Payments under this program are not budgeted for as they made in response to specific events.
- Depreciation expenses were \$48 million higher than the original budget as a result of changes in useful lives due to adjustments in asset usage and the timing of capitalisations differing from that which was forecast in the original budget.

Administered assets

Total assets are \$104 million (or 6%) less than the original budgeted position.

Non-financial assets were \$95 million lower than the original budgeted position. This largely relates to a \$94 million difference in the opening actuals balance in July 2018 compared to the original budget set in May 2018.

Administered liabilities

Total administered liabilities are \$120 million (or 37%) higher than the original budgeted position.

The administered suppliers payable were \$109 million higher than the original budget. This was predominantly due to larger than anticipated contract accruals related to regional processing activities.

PART 5

MANAGEMENT AND ACCOUNTABILITY

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ENTERPRISE GOVERNANCE

Statement of Enterprise Governance Practices

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

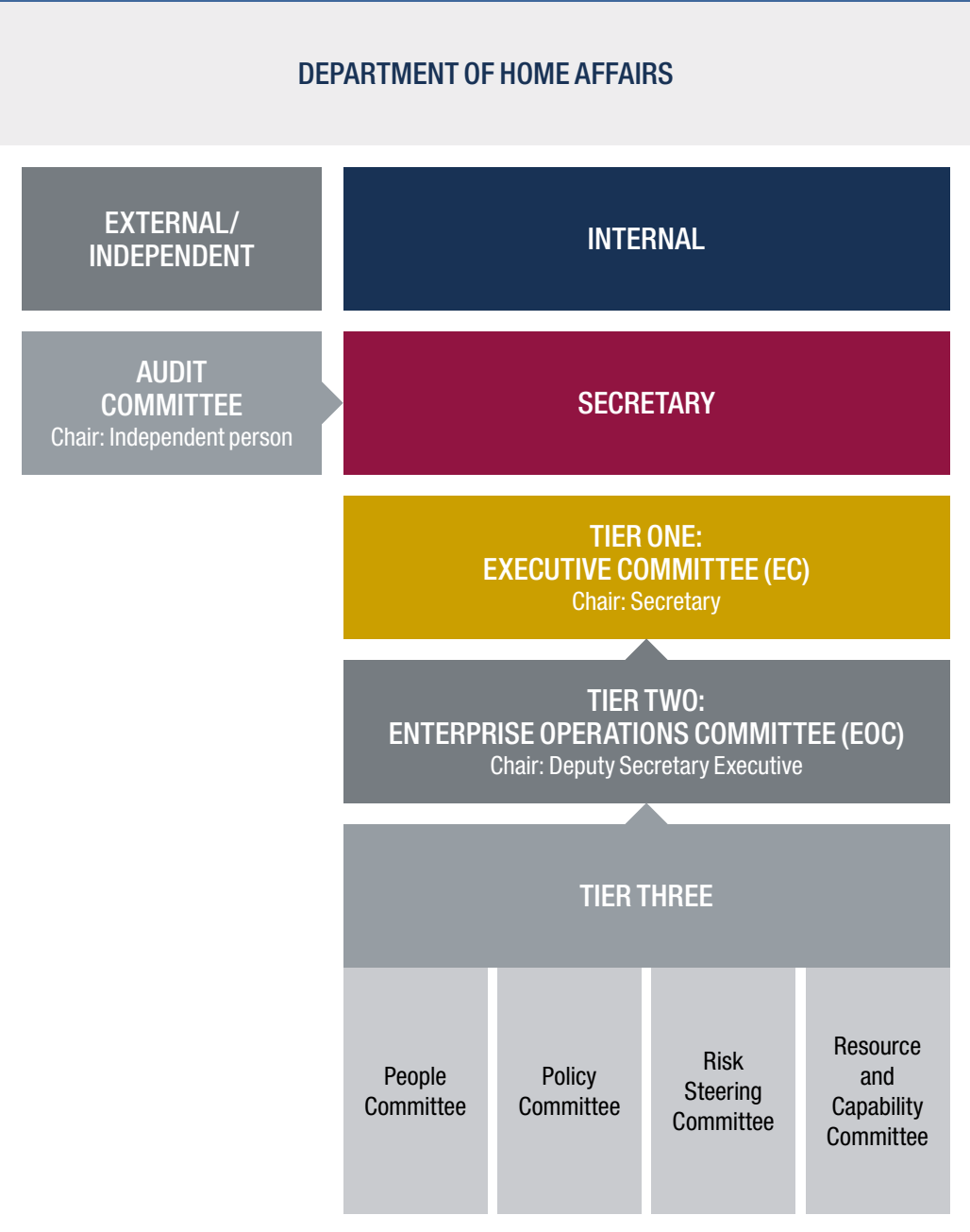
The governance arrangements outlined in this chapter, apply to the Department and are consistent with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). They also support transparent decision making both horizontally and vertically and minimise the number of Committees required across the Department.

In recognition of its operational independence, the Australian Border Force (ABF) has its own governance arrangements. However, the governance and working committees of the Department and the ABF are linked through membership and functions so the Secretary can properly acquit his PGPA Act responsibilities. These arrangements also align the ABF's operational functions and the Department's policy, program, enabling and support functions.

The Department's enterprise governance arrangements are reflected in Figure 9. The ABF's enterprise governance arrangements are reflected in Figure 10.

Home Affairs Enterprise Governance Arrangements

Figure 9: Department of Home Affairs Enterprise Governance Arrangements, as at 30 June 2019



Executive Committee

The Executive Committee is the Department's premier strategic forum, focused on future facing, enterprise-wide issues, priorities and direction. It is chaired by the Secretary, the accountable authority under the PGPA Act. The Secretary is the final decision maker on matters brought before the committee.

Enterprise Operations Committee

The Enterprise Operations Committee supports the Executive Committee with decisions and advice, and oversees enterprise-wide issues concerning the effective management and performance of the Department. The Deputy Secretary Executive chairs the Enterprise Operations Committee.

Policy Committee

The Policy Committee makes recommendations on strategy-centred and strategy-led policy priorities for the Department, including those that impact on immigration and people mobility, major threats and risk, law enforcement and transnational crime, national security and international-focused policy.

Risk Committee

The Risk Committee oversees the effectiveness of risk controls and provides advice on critical risks and improving risk management. It also focuses on integrating risk management within governance and strategic business and planning processes and emphasises the need to consider enterprise risks and shared risks during decision making.

Resources and Capability Committee

The Resources and Capability Committee has oversight of capability development and financial management frameworks. It also allocates resources in support of these frameworks and provides advice on investment priorities, capability development, financial strategy and budget allocation and management.

People Committee

The People Committee is responsible for overseeing the implementation of the Department's People Strategy 2025, and incorporating current and emerging business priorities into the development of workforce planning, inclusiveness and culture, integrity, work health and safety, and workforce capability strategies.

Audit Committee

Consistent with Section 45 of the PGPA Act, the Secretary maintains an Audit Committee. This Committee's primary role is to review and provide independent assurance and assistance to the Secretary and the ABF Commissioner on the appropriateness of their risk oversight and management, system of internal controls, financial reporting and performance reporting.

The Audit Committee comprises three external members, including the Chair, and two internal members. The Chair reports to the Secretary on the Audit Committee's activities and key issues arising from each meeting.

A Financial Statements Sub-Committee, chaired by an external member, supports the Audit Committee by meeting regularly to review the preparation of the Department's annual financial statements.

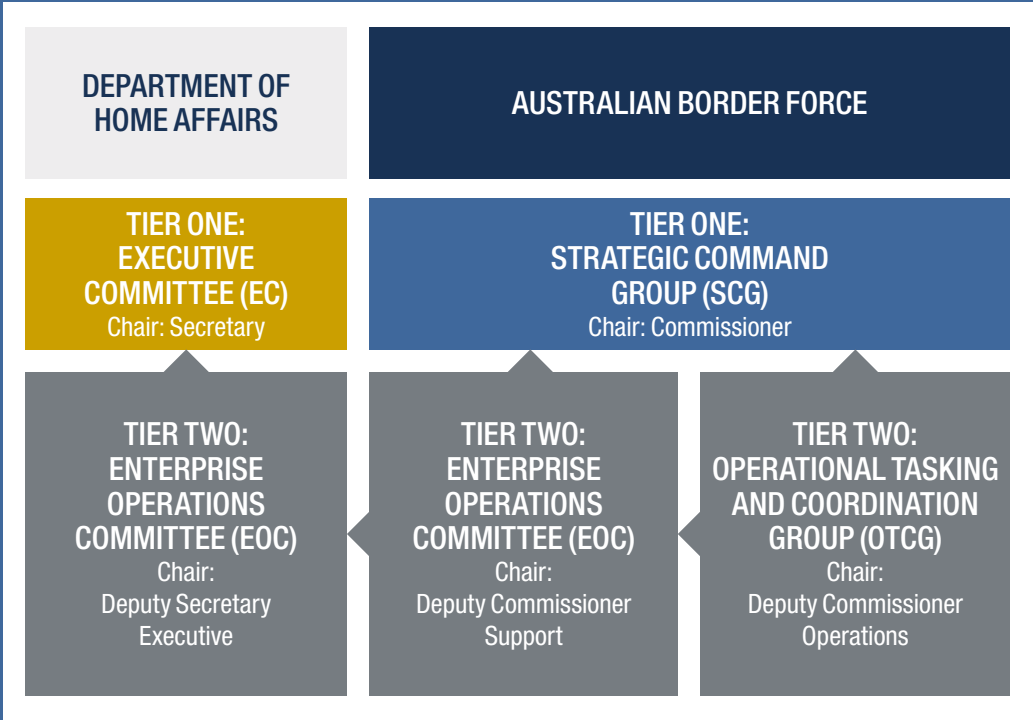
Australian Border Force Enterprise Governance Arrangements

The ABF’s governance arrangements complement the Department of Home Affairs’ arrangements.

The ABF Commissioner is supported by the:

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

Figure 10: Australian Border Force Enterprise Governance Arrangements, as at 30 June 2019



Strategic Command Group

The Strategic Command Group is responsible for providing guidance, managing business operations and setting the strategic direction for the ABF, including overseeing ABF operational priorities for the financial year. The Strategic Command Group is chaired by the ABF Commissioner and supports the Department's strategic plan through the endorsement of high-level input on ABF requirements and the strategic design and guidance of its operating model and change program.

Operational Requirements Group

The Operational Requirements Group provides guidance for the ABF's support, operational and future capability requirements. The Operational Requirements Group is chaired by the Deputy Commissioner Support Group and aligns existing and future capabilities with the Strategic Command Group's operational priorities, enabling the delivery of training, operational capabilities and asset deployment.

Operational Tasking and Coordination Group

The Operational Tasking and Coordination Group supports the work of the Strategic Command Group by developing, implementing and monitoring performance against the ABF's operational priorities. The Operational Tasking and Coordination Group is chaired by the Deputy Commissioner Operations Group and addresses changes in strategic and operational intelligence, risks and issues to drive operational activities and meet outcomes and objectives.

Corporate and business planning

The *Department of Home Affairs Corporate Plan 2018–19* was adopted as the primary planning document, providing a collective understanding of the purposes and operating environments of the Department and the ABF. In recognition of this, the Department undertook business and operational planning across the Department and the ABF, aligning activities to the purposes and the strategic performance measures within the Corporate Plan 2018–19.

The Department and ABF's corporate and business planning approach is underpinned by effective performance reporting to the Executive Operations Committee and Audit Committee to track progress against published performance measures.

Throughout 2018–19, both the Department and the ABF reviewed the performance frameworks and business planning processes, which will support a revised framework in future reporting periods (2019–20 and beyond).

Risk management

Our Risk Management Policy and Risk Management Framework supports the Secretary and Commissioner to establish and maintain appropriate systems of risk oversight, management and internal control. It outlines our approach to managing risk and guides officials when undertaking risk management activities.

Our updated Risk Management Policy is now embedded into our risk management practices, and is consistent with relevant legislation and regulation, including:

- Section 16 of the PGPA Act
- Commonwealth Risk Management Policy
- Australian and New Zealand accepted international standard ISO31000:2018 Risk Management—Guidelines.

Senior governance committees, supported by the Risk Committee, Audit Committee and Chief Risk Officer, oversee our approach to risk management. A key aspect of our approach is scanning for emerging threats while actively managing our outward-facing strategic risks and inward-facing enterprise risks. This structured approach balances risk and opportunity. It also informs our risk appetite and tolerances to support the effective and efficient delivery of our activities.

Internal audit arrangements

The *Internal Audit Plan* is the overarching internal audit work plan for the Department and ABF.

It is a rolling plan subject to six-monthly review. This allows for a strategic and flexible approach to pre-empt emerging risks and changing priorities.

During 2018–19, 21 internal audits were completed. All recommendations delivered through the plan are tracked and monitored by the Audit Committee, supported by the Chief Audit Executive.

Further assurance activities such as management-initiated reviews, detention assurance reviews and compliance programs also form part of our overall program of strategic assurance.

Fraud control and anti-corruption measures

The *Home Affairs Fraud and Corruption Control Plan* and the *ABF Fraud and Corruption Control Plan* outline our commitment to effectively manage and mitigate fraud and corruption in the Department and the ABF.

The plans meet our accountabilities for compliance against the *Commonwealth Fraud Control Framework 2017*, including Section 10 of the *Public Governance, Performance and Accountability Rule 2014*, the *Commonwealth Fraud Control Policy*, and *Resource Management Guide No. 201—Preventing, Detecting and Dealing with Fraud*.

The Department, including the ABF, has zero tolerance for fraud and corruption. We have appropriate strategies in place to manage fraud and corruption, taking all reasonable steps to prevent, detect and deal with fraud appropriately.

Accountability, integrity and ethical standards

Establishing and maintaining ethical standards

The Department and the ABF considers a high degree of integrity among staff and contractors to be paramount to successfully deliver the outcomes for which we are responsible and maintain public confidence. To this end, we continued to develop a professional, accountable and ethical workforce under our integrity and professional standards frameworks and through our Integrity and Professional Standards Branch.

In 2018–19 we continued Operation Arete, a three-year rolling plan to ensure our workforce has high levels of integrity, strong values and displays appropriate conduct. This plan is designed to create a culture that promotes integrity and protects our people, property, systems and information from infiltration and corruption.

Key work under the plan in 2018–19 included:

- Educating staff and contractors about integrity expectations:
 - 63 integrity information sessions were delivered, including two sessions delivered offshore
 - 83 per cent of staff completed online integrity training (as at 30 June 2019)
 - Integrity and Professional Standards Branch continued to promote integrity related reminders and messages through internal communication channels.
- Assisting managers and staff to manage less serious integrity issues at local level:
 - Of the integrity matters received by the Integrity and Professional Standards Branch, most were referred to line management to address with advice and support from the branch.
- Enhancing the ability of Integrity Investigations to undertake criminal investigations in response to matters including internal fraud and corruption. In particular:
 - establishing partnership arrangements with the Commonwealth Department of Public Prosecutions' International Assistance and Specialist Agencies Practice Group to progress criminal prosecutions
 - conducting joint operational activities and sharing enhanced information with partner agencies, including the Australian Commission for Law Enforcement Integrity, state and federal police and the Australian Criminal Intelligence Commission.
- Implementing improvements to the drug and alcohol testing program, streamlining program administration and enhancing the assurance provided by the Department's drug and alcohol testing program.
- Expanding our intelligence capability, using dedicated teams of analysts and technologists to lead an active detection program and support integrity. This includes by:
 - providing intelligence support to referrals, investigations and Australian Commission for Law Enforcement Integrity operations
 - improving the risk-based approach to employment screening
 - supporting the delivery of administrative efficiencies associated with drug and alcohol testing.

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

There are no matters to be reported.

Capability

Capability reviews

The Department initiated one capability review in 2018–19.

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

The review baselined the current state, identified gaps and identified options for improvement, across the Capability Lifecycle Management Model.

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

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

The three streams concluded in February 2019.

EXTERNAL SCRUTINY

Judicial and administrative tribunal decisions

Notable decisions

On 8 February 2019, a Full Bench of the Fair Work Commission (FWC) made the *Department of Home Affairs Workplace Determination 2019* which sets employment terms and conditions for non-Senior Executive Services employees of the Department.

The Workplace Determination replaces the *Department of Immigration and Citizenship Enterprise Agreement 2011–2014* and supports *Public Service Act 1999* instruments.

Before this, on 11 January 2019, the Full Bench made the decision FWCFB 143 [2019] explaining the content of the Workplace Determination.

Systems changes were developed within the first pay cycle after the Workplace Determination was made to ensure entitlements were paid promptly. The Department is currently consulting parties on updated policies that reflect the terms of the Workplace Determination.

Civil litigation

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

At 30 June 2019, departmental records indicate that 181 claims for compensation were in the courts or with the FWC. This includes but is not limited to, claims for unlawful detention or personal injury arising from detention, personal injury relating to or sustained in a regional processing centre, employee-related matters, privacy complaints and other claims arising from activities of the Department.

Reports by external bodies

Reports from the Office of the Australian Information Commissioner

We continue to work closely with the Office of the Australian Information Commissioner (OAIC) to provide assurance to the Australian public that personal information held by the Department and privacy breaches are handled in accordance with the *Privacy Act 1988*.

At the Department's request, OAIC conducts annual assessments of our handling of passenger name record data. We provide funding to OAIC for this through a Memorandum of Understanding. This data is information provided by passengers to air carriers to enable processing of reservations. Our collection and use of passenger name record data is important for law enforcement as it assists with preventing, detecting and investigating serious crimes, including terrorism, drug trafficking, human trafficking and child exploitation.

During 2018–19, the Department:

- finalised its review of OAIC's 2016–17 draft passenger name record assessment report. The Department accepted and is implementing all recommendations
- received and commenced reviewing OAIC's 2017–18 draft passenger name record assessment report
- together with OAIC, began preparations for the 2018–19 passenger name record assessment, to take place in 2019–20.

Separately, we responded to OAIC's follow-up activities on the implementation of recommendations from OAIC's assessments on our use of powers under the *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014* (the Act).

Specifically, these three follow-up activities relate to these schedules of the Act:

- Schedule 5—regarding handling of personal information throughout the arrivals and departures border clearance process (assessment report published October 2016)
- Schedule 6—regarding handling of personal information about departing air and maritime travellers (assessment report published October 2016)
- Schedule 5—regarding handling of an individual's request for access to personal information collected by SmartGate (assessment report issued April 2018).

OAIC assessment reports, and the Department's responses, are published on the OAIC website.²⁵

25. www.oaic.gov.au/privacy-assessments

Reports from the Australian Human Rights Commission

The Australian Human Rights Commission (AHRC) can inquire into complaints of breaches of human rights and workplace discrimination under the *Australian Human Rights Commission Act 1986*.

Two reports concerning complaints against the Department were tabled in the Australian Parliament and subsequently published on the AHRC website.²⁶ This was a decrease from the six reports tabled in 2017–18.

The two reports were:

- *AusHRC 124 AM vs Commonwealth of Australia (Department of Home Affairs)*
- *AusHRC 126 AM vs Commonwealth of Australia (Department of Home Affairs)*.

The AHRC's role also includes monitoring the conditions in immigration detention centres from a human rights compliance perspective. We work with the AHRC to ensure legal and community obligations are met. This includes providing access to immigration detention facilities and to departmental records, case notes and decisions.

In 2018–19, the AHRC published these five reports after detention centre monitoring visits:

- Perth Immigration Detention Centre
- Adelaide Immigration Transit Accommodation
- Brisbane Immigration Transit Accommodation
- Christmas Island Immigration Detention Centre
- Risk Management in Immigration Detention.

The Department's response to these reports are available on the AHRC website.

Reports from the Office of the Commonwealth Ombudsman

The Commonwealth Ombudsman released the following two reports concerning activities related to the Department's activities in 2018–19:

- *Citizenship own motion investigation report*
- *Report on the Commonwealth Ombudsman's monitoring of agency access to stored communications and telecommunications data under Chapters 3 and 4 of the Telecommunications (Interception and Access) Act 1979 for the period 1 July 2016 to 30 June 2017.*

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

26. www.humanrights.gov.au

These reports, including the Department's responses are publicly available at the Commonwealth Ombudsman's website.²⁷

Reports from the Australian National Audit Office

The Auditor-General released five performance audit reports that examined the Department and ABF in 2018–19:

- *Cape Class Patrol Boat—In Service Support Arrangements*
The objective of this audit was to examine the effectiveness of the Department of Home Affairs' administration of the support arrangements designed to ensure that the Cape Class patrol boats are achieving contracted availability and performance requirements.
- *Northern Australia Quarantine Strategy—Follow-on Audit (cross-entity audit)*
The objective of this audit was to examine the extent to which the Department of Agriculture and Water Resources addressed the recommendations from the *Australian National Audit Office (ANAO) Audit Report No. 46 of 2011–12, Administration of the Northern Australia Quarantine Strategy*.
- *Efficiency of the Processing of Applications for Citizenship by Conferral*
The objective of this audit was to examine the efficiency of the processing of applications for citizenship by conferral by the Department of Home Affairs.
- *Addressing Illegal Phoenix Activity (cross-entity audit)*
The objective of this audit was to assess the effectiveness of the Phoenix Taskforce to combat illegal phoenix activities.
- *Coordination Arrangements of Australian Government Entities Operating in Torres Strait (cross-entity audit)*
The objective of this audit was to assess the effectiveness of the coordination arrangements of key Australian Government entities operating in Torres Strait.

These audit reports, including the Department's responses, are publicly available on the ANAO's website.²⁸

Royal Commission into Institutional Response to Child Sexual Abuse

The Royal Commission delivered its *Final Report* on 5 December 2017. It contained 409 recommendations, of which the Home Affairs Portfolio is the Australian Government lead for 70 (seven less than reported in 2017–18 due to recommendations being reassigned to other Commonwealth Government agencies or state or territory agencies).

The Department is responsible for the Home Affairs Portfolio's response to these recommendations. The Child Wellbeing Branch provides critical oversight, coordination, reporting functions and implementation assurance to the implementation process.

27. www.ombudsman.gov.au

28. www.anao.gov.au

In 2018–19, the Department led significant tranches of work, including:

- Chairing a working group of relevant Commonwealth Government and state and territory policy officials to develop a nationally consistent Working with Children Checks framework. This led to the development of the National Working with Children Checks Standards, which have been endorsed by all but one jurisdiction. Subsequent to this, the Australian Criminal Intelligence Commission established a Senior Users Group to develop the National Reference System, a centralised database, that will enable jurisdictions to share information about ‘negative notices’ to determine if a Working with Children Check has previously been refused anywhere in Australia. The Department continues to work with states and territories to ensure they pass necessary legislative reforms to ensure they can share and receive information through the National Reference System, and recognise the negative notices of another jurisdiction.
- Incorporating the Child Safe Standards into the Department’s revised *Child Safeguarding Framework* and establishing Child Wellbeing Officer positions to support staff and service providers who interact with children.
- Implementing the remaining Child Protection Panel’s recommendations, with progress reports made publicly available as stipulated by the Royal Commission’s *Final Report*.
- Introducing the *Combatting Child Sexual Abuse Legislation Amendment Bill 2019* to Parliament, which seeks to address operational difficulties experienced in investigating and prosecuting new trends in child exploitation, and offences for repeat and persistent child sexual abuse. As the Bill lapsed due to the proroguing of the 45th Parliament, the Department will seek reintroduction in the legislation program for the Parliamentary sittings period covering the remainder of 2019.

The National Redress Scheme began on 1 July 2018. It will offer eligible survivors of institutional sexual abuse access to psychological counselling, provision of a Direct Personal Response, and/or monetary payment.

The Redress Scheme is operated by the Department of Social Services and administered by the Department of Human Services. The Child Wellbeing Branch has a dedicated team to respond to requests from the Department of Human Services. All requests we have processed to date relate to people who initially arrived in Australia in the mid-twentieth century as a child migrant. The Redress Scheme will operate for 10 years.

Reports from parliamentary committees

The Parliament of Australia may refer bills, policies or issues affecting the wider community to a parliamentary committee of inquiry. Tables 9, 10 and 11 outlines parliamentary committee reports released during 2018–19 when the Department was the lead agency.

Table 9: House of Representatives Standing Committees, 1 July 2018–30 June 2019²⁹

COMMITTEE	REPORT	DATE TABLED
Indigenous Affairs, (Standing Committee)	<i>Growing presence of inauthentic Aboriginal and Torres Strait Islander 'style' art and craft products and merchandise for sale across Australia</i>	19 December 2018

Table 10: Joint Standing Committees, 1 July 2018–30 June 2019³⁰

COMMITTEE	REPORT	DATE TABLED
Foreign Affairs, Defence and Trade (Joint, Standing)	<i>Compassion, Not Commerce: An Inquiry into Human Organ Trafficking and Organ Transplant Tourism</i>	3 December 2018
Intelligence and Security (Joint, Statutory)	<i>Review of the re-listing of five organisations and the listing of two organisations as terrorist organisations under the Criminal Code</i>	20 September 2018
Intelligence and Security (Joint, Statutory)	<i>Advisory Report on the Crimes Legislation Amendment (Police Powers at Airports) Bill 2018.</i>	13 February 2019
Intelligence and Security (Joint, Statutory)	<i>Advisory Report on the Australian Citizenship Amendment (Strengthening the Citizenship Loss Provisions) Bill 2018</i>	14 February 2019
Migration (Joint, Standing)	<i>Report of the inquiry into efficacy of current regulation of Australian migration and education agents</i>	21 February 2019
Migration (Joint, Standing)	<i>The report of the inquiry into review processes associated with visa cancellations made on criminal grounds.</i>	21 February 2019
Public Accounts and Audit (Joint, Committee)	<i>Inquiry into Australian Government Security Arrangements: Audit Report No. 43 (2017–18) Domestic Passenger Screening—Follow-Up)</i>	2 April 2019
Public Accounts and Audit (Joint, Committee)	<i>Inquiry into Australian Government Security Arrangements: Auditor-General's report 38 (2017–18)— Mitigating Insider Threats through Personnel Security</i>	2 April 2019
Intelligence and Security (Joint, Statutory)	<i>Review of the Telecommunications and Other Legislation Amendment (Assistance and Access) Act 2018</i>	3 April 2019
Intelligence and Security (Joint, Statutory)	<i>Advisory report on the Counter-Terrorism (Temporary Exclusion Orders) Bill 2019</i>	3 April 2019
Law Enforcement (Joint, Statutory)	<i>Impact of new and emerging information and communications technology.</i>	4 April 2019
Law Enforcement (Joint, Statutory)	<i>Theft and export of motor vehicles and parts</i>	4 April 2019

29. House of Representatives Standing Committee—link to report tabled:

www.aph.gov.au/Parliamentary_Business/Committees/House/Indigenous_Affairs/The_growing_presence_of_inauthentic_Aboriginal_and_Torres_Strait_Islander_style_art_and_craft/Report

30. Joint Standing Committee—links to reports tabled:

www.aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/5TerroristOrgs/Report
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/HumanOrganTrafficking/Tabled_Reports
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/CrimesLegislationBill/Report_1
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/CLPBil/Report
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Migration/Migrationagentregulatio/Report
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Migration/Visacancellationprocess/Report
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Migration/Migrationagentregulatio/Report
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Public_Accounts_and_Audit/PersonnelSecurity/Report_479
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/ReviewofTOLAAct
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Intelligence_and_Security/CTTEOBil2019/Report
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Law_Enforcement/NewandemergingICT/Report
www.aph.gov.au/Parliamentary_Business/Committees/Joint/Law_Enforcement/Motorvehicletheft/Report

Table 11: Senate Committees, 1 July 2018–30 June 2019³¹

COMMITTEE	REPORT	DATE TABLED
Legal and Constitutional Affairs Legislation (Senate)	<i>Modern Slavery Bill 2018 (Provisions)</i>	24 August 2018
Legal and Constitutional Affairs Legislation (Senate)	<i>Migration (Validation of Port Appointment) Bill 2018</i>	11 September 2018
Legal and Constitutional Affairs Legislation (Senate)	<i>Inquiry into the Criminal Code and Other Legislation Amendment (Removing Commonwealth Restrictions on Cannabis) Bill 2018</i>	14 September 2018
Legal and Constitutional Affairs References (Senate)	<i>Inquiry into allegations concerning the inappropriate exercise of ministerial powers, with respect to the visa status of au pairs, and related matters</i>	19 September 2018
Legal and Constitutional Affairs Legislation (Senate)	<i>Customs Amendment (Comprehensive and Progressive Agreement for Trans-Pacific Partnership Implementation) Bill 2018 [Provisions], Customs Tariff Amendment (Comprehensive Agreement for Trans-Pacific Implementation) Bill 2018 [Provisions]</i>	10 October 2018
Legal and Constitutional Affairs Legislation (Senate)	<i>The Aviation Transport Security Amendment Bill 2018 (Provisions)</i>	16 October 2018
Standing Committee on Education and Employment (Senate)	<i>Inquiry into the exploitation of general and specialist cleaners working in retail chains for contracting or subcontracting cleaning companies</i>	13 November 2018
Standing Committees on Finance and Public Administration (Senate)	<i>Intelligence Services Amendment (Enhanced parliamentary Oversight of Intelligence Agencies) Bill 2018</i>	12 November 2018
Standing Committee on Privileges (Senate)	<i>Disposition of material obtained in the execution of a search warrant</i>	26 November 2018
Standing Committee on Privileges (Senate)	<i>Disposition of material obtained in the execution of a search warrant</i>	2 April 2019
Legal and Constitutional Affairs Legislation (Senate)	<i>Freedom of Information Legislation Amendment (Improving Access & Transparency) Bill 2018</i>	30 November 2018
Standing Committee on Economics (Senate)	<i>Inquiry into non-conforming building products</i>	4 December 2018
Legal and Constitutional Affairs Legislation (Senate)	<i>The Migration Amendment (Strengthening the Character Test) Bill 2018</i>	17 December 2018

31. Senate Standing Committee—links to reports tabled:

www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/ModernSlavery/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/ValidationofPortAppoint/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/CannabisBill/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/AuPairs/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/CustomsAmendment/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/AviationSecurity/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/ATSIamendments2018/IntelligenceServices/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Privileges/Dispositionofmaterial/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Privileges/Dispositionofmaterial/174th_report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/FreedomofInformation/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Non-conforming45th/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/CharacterTest/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/Mentalhealth/Report
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/TimorSeaMaritime/Report

COMMITTEE	REPORT	DATE TABLED
Standing Committee on Education and Employment (Senate)	<i>The role of Commonwealth, state and territory Governments in addressing the high rates of mental health conditions experienced by first responders, emergency service workers and volunteers</i>	14 February 2019
Standing Committee on Economics (Senate)	<i>Timor Sea Maritime Boundaries Treaty Consequential Amendments Bill 2018 [Provisions] and the Passenger Movement Charge Amendment (Timor Sea Maritime Boundaries Treaty) Bill 2018 [Provisions]</i>	8 February 2019
Legal and Constitutional Affairs References (Senate)	<i>The practice of dowry and the incidence of dowry abuse in Australia</i>	14 February 2019
Legal and Constitutional Affairs Legislation (Senate)	<i>Inquiry into the Migration Amendment (Streamlining Visa Processing) Bill 2018 (Provisions)</i>	25 February 2019
Legal and Constitutional Affairs References Committee	<i>Freedom of Speech Legislation Amendment (Censorship) Bill 2018, Freedom of Speech Legislation Amendment (Insult and Offend) Bill 2018 and Freedom of Speech Legislation Amendment (Security) Bill 2018</i>	8 March 2019
Legal and Constitutional Affairs Legislation (Senate)	<i>Inquiry into the Australian Citizenship Legislation Amendment (Strengthening the Commitments for Australian Citizenship and Other Measures) Bill 2018</i>	15 March 2019
Legal and Constitutional Affairs Legislation (Senate)	<i>Combating Child Sexual Exploitation Legislation Amendment Bill 2019</i>	22 March 2019
Legal and Constitutional Affairs References (Senate)	<i>Effectiveness of the current temporary skilled visa system in targeting genuine skills shortages</i>	2 April 2019
Standing Committee on Rural and Regional Affairs Transport	<i>Inquiry into the operation, regulation and funding of air route service delivery to rural, regional and remote communities</i>	7 June 2019

Complaints

Commonwealth Ombudsman

The Department received 129³² complaints from the Commonwealth Ombudsman in 2018–19, a decrease of 53.92 per cent on 2017–18.

A total of 160 complaints were finalised during 2018–19.

Australian Human Rights Commission

The Department received 47 complaints from the Australian Human Rights Commission in 2018–19, a decrease of 6 per cent on 2017–18.

A total of 45 complaints were finalised during 2018–19.

Office of the Australian Information Commissioner

During 2018–19 financial year, the Department received nine privacy complaints from OAIC. Four privacy complaints (which includes one complaint from 2017–18 reporting period) were closed in the 2018–19 financial year.

Freedom of information

In 2018–19 the Department received 18,412 Freedom of Information (FOI) requests, including 623 amendment requests, compared with 14,683 requests in 2017–18, representing a 25.4 per cent increase. Of the 18,412 FOI requests received in 2018–19, 16,876 were for personal information and 917 for non-personal information (619 uncategorised).

The Department finalised 17,078 FOI requests. Of these 16,464 were access requests and 614 were amendment requests. Of the 16,464 access requests:

- 9401 cases were granted full access
- 5375 cases were granted part access
- 902 cases were refused access³³
- 786 cases were invalid, transferred to other agencies, or saw applicants withdraw their requests before a decision on access was made.

The Department's FOI compliance rate (requests finalised within statutory timeframes) for 2018–19 was 75 per cent. At 30 June 2018, the Department had 1081 overdue requests on hand.

32. The decrease in complaints received to the Department during 2018–19 from the Commonwealth Ombudsman's Office is attributed, in part, to departmental system enhancements enabling aggregation of complaints received and differentiation of requests.

33. This figure includes 'access refusal decisions' in accordance with the meaning given by Section 53A of the *Freedom of Information Act 1982*.

CLIENT SERVICE

Transforming the client experience

The Department is facing escalating demand for services and increasing pressure on departmental systems, processes and resources. Transforming the way clients interact with us, by progressively implementing convenient, lower-cost, self-serve digital services wherever possible, is critical to our ongoing ability to manage increasing demands and provide better services.

At the same time, the way our clients choose to engage government services is quickly evolving with an expectation that digital, responsive and personalised services are available anywhere, any time and on any device.

The Department is transitioning to a more secure appointment model for all visa and citizenship services across Australia, providing clients with a better, more professional, user-experience when they present for in-person (face-to-face) services such as visa interviews, biometrics collection and citizenship tests.

The Department obtains regular feedback from clients. After decommissioning post-appointment surveys through check-in kiosks, clients have been advised to send all appointment-related feedback, complaints and compliments to our Global Feedback Unit (GFU). This has streamlined the feedback process and enabled clients to provide more in-depth feedback.

Channel Strategy 2017–20

The Department's internal *Channel Strategy 2017–20* guides improvements to our client service channels, changing the way we do business and transforming the way clients interact with us.

The strategy sets the vision for seamless service delivery interactions across all client service channels (phone, in-person, paper and digital). It also sets out how we will deliver high quality, consistent, cross-channel experiences that use technology and digital media for service delivery.

We are working to improve our ability to deliver user-centred, digital services to an increasing number of clients. This is in line with Australia's whole-of-government digital transformation agenda, which ensures all government services are delivered in a simple, clear and easy-to-use manner and designed around client needs.

The Channel Strategy will be refreshed as part of our preparations for implementing our new service delivery arrangements.

Digital services

Departmental clients continue to embrace the shift to digital and online services. In 2018–19, the number of users visiting the departmental and ABF websites increased by 19.43 per cent and, the number of ImmiAccounts created increased by 28 per cent. There have now been over 10.11 million ImmiAccounts have been created since its launch in December 2013.

Through our digital ‘front door’, individuals and organisations continue to use ImmiAccount to access a growing range of digital and online services as the Department progressively and purposefully moves away from high-cost, non-digital channels for client interactions and services.

Changes to support legislative, policy and business process changes, and enabling work for future capability improvements, were introduced throughout the year. For example, through the continued expansion of online lodgement of visa and citizenship applications, new online forms now support applications for the Transit visa and Medical Treatment visa. Changes to the form for the Temporary Work (International Relations) visa have enabled applications under the Pacific Labour Scheme stream, as well as facilitating options to apply for a multi-year, multi-entry visa under the existing Seasonal Worker Program stream.

Enhancements to existing online forms for applying for a Maritime Crew visa (MCV) and Resident Return visa (RRV) have been made to provide a better client experience, improved processing and reporting, and enhanced information collection to support better risk management. Clients with an application in ImmiAccount can advise the Department of changes to their contact and/or passport details online, and facilitate client travel and interactions by ensuring updates are made to departmental client records. Repayment processes have also been streamlined and automated for clients who have paid using our Online Payment Portal.

To assist with further reducing the need for clients to contact the Department, enhancements to ImmiAccount have included expanding the online attachment capability to more visa subclasses and providing tailored checklists before lodgement to encourage complete applications. Visa grant details are now displayed directly in ImmiAccount, reducing the need for clients to rely on or refer back to their grant letter. In addition, automated reassurance and reminder correspondence being sent to Partner visa applicants advise that their application processing continues and when they become eligible to submit their second stage assessment information.

The Request for More Information correspondence has been simplified, providing clients with easier-to-understand information and clarifying additional information required by the Department to progress their visa application.

The Enhancements to Push Messaging capability continues to deliver new functionality, proactively informing clients with relevant information:

- existing email reminders for Post Visa Expiry and Travel Expiry have been expanded to cover more subclasses
- a new Migrant Workers Work Rights Reminder email has been established and is being sent to Migrant Worker visa holders to advise of their rights and protections at work in Australia
- SMS messages have been introduced to Temporary Protection visa (TPV) and Safe Haven Enterprise visa (SHEV) holders whose visas are due to expire to remind them to reapply.

Service Delivery Partners

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

At 30 June 2019, the Department had three commercial partners operating Australian Visa Application Centres and Australian Biometric Collection Centres in 54 countries:

- VF Worldwide Holdings Ltd
- TT Visa Services Ltd
- CSRA LLC.

Service Delivery Partners (SDPs) provide administrative services, including:

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

During 2018–19, biometric collection facilities were expanded to Iran, Kazakhstan and Russia. The Department continues to provide additional access points to our offshore clients and more service options. This includes reducing the reliance on paper applications with SDP's supporting visa lodgement with services such as assisted online lodgement.

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

Translating and interpreting services

Translating and Interpreting Service (TIS National) is an interpreting service provided by the Department of Home Affairs. It supports the key objectives and purpose of the Department and the Australian Government's *Multicultural Access and Equity Policy 2018*, enabling all Australians to access government policies, programs and services.

TIS National delivers interpreting services for people who do not speak English and for government and non-government agencies, businesses and emergency services that need to communicate with their non-English speaking clients.

In 2018–19, TIS National provided 1,044,637 phone interpreting services and 130,165 on-site services through 2863 independently contracted interpreters.

The Department's continuous improvement policy and technology investments underpinned TIS National's innovation strategy further developing TIS Online, TIS National's automated on-site interpreting booking tool and the Automated Telephone Interpreting Service, an automated voice-prompted phone interpreting service. This service allows agency clients to access an interpreter in high-demand languages without assistance from a TIS National operator using sophisticated voice recognition technology to identify the requested language and automatically connect the client with an interpreter in that language.

TIS National continues to work with the National Accreditation Authority for Translators and Interpreters (NAATI) to support the NAATI Certification system, which came into effect on 1 January 2018. This system aims to enhance interpreter capabilities through regular re-certification and ongoing professional development. TIS National's allocation system is based on the new system and allocates interpreting assignments to interpreters who have transitioned and hold a credential under the new certification system. In 2018–19, more than 86 per cent of all interpreting assignments undertaken by TIS National interpreters were completed by a transitioned interpreter.

Service standards

In 2018-19, TIS National continued performing strongly through all of its service delivery channels, including the immediate telephone interpreting service. During this period, 88 per cent of calls were answered within 30 seconds, a 27 per cent increase from 2017–18. This increase in Grade of Service (GOS) is attributed to technological enhancements within TIS National. For the same period, 99 per cent of all on-site bookings were assigned within three days of receipt, a one per cent increase from 2017–18. The high percentage can be attributed to the self-service capability of TIS National's on-site bookings platform, TIS Online.

In 2018–19, 98.57 per cent of all TIS National calls were assigned to an interpreter within three minutes. TIS National continued to supply accredited interpreters for 93.60 per cent of all jobs being performed by a NAATI credentialed interpreter. This is attributed to TIS National’s continued targeted recruitment activities throughout the period.

Important call centre metrics include average handle time, average speed to answer and calls per open hour. Table 12 shows that the TIS National call centre’s performance has improved on most metrics.

Table 12: TIS National Call centre performance (telephone interpreting)

FINANCIAL YEAR	CALL TYPE	CALLS OFFERED	CALLS ACCEPTED	CALLS PER OPEN HOUR (%)	AVERAGE HANDLE TIME (mm:ss)	AVERAGE SPEED TO ANSWER (mm:ss)	GRADE OF SERVICE ³⁴
2018–19	<i>Emergency calls (000)</i>	24,609	24,397	n/a	01:52	00:08	97
	<i>Total calls (including emergency calls)</i>	1,165,516	1,126,382	6.23	02:05	00:26	88.23
2017–18	<i>Emergency calls (000)</i>	19,749	19,591	n/a	01:47	00:09	96
	<i>Total calls (including emergency calls)</i>	1,239,805	1,124,350	6.62	03:36	00:42	69.51

Purchaser-provider arrangements

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

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

Renegotiated three-year service level agreements with DFAT and Austrade are in place covering for 1 July 2017 to 30 June 2020.

34. Percentage of calls answered within a specific timeframe.

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

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

The Department's total 2018–19 service level agreement costs were:

- \$7,651,695 (DFAT), compared to \$7,421,246 in 2017–18
- \$937,920 (Austrade), compared to \$980,022 in 2017–18.

Global Service Centre

As anticipated, since consolidating the Department's three call centres—in London, Ottawa and Sydney—in March 2018 to a single onshore contracted service provider (Datacom), service levels have improved significantly for departmental clients. In 2018–19, for example:

- the average wait time was 4 minutes 12 seconds compared to 34 minutes, 31 seconds in February 2018 (before Datacom taking calls)
- 87 per cent of calls were answered within 10 minutes, comparing favourably to the service offer of 85 per cent within 10 minutes; this is a significant improvement on the 48.1 per cent in February 2018 (before Datacom taking calls)
- the number of complaints on call centre services decreased by 53 per cent (since Datacom commenced taking calls).

In-person services

The Department continues to make considerable progress in encouraging self-service through digital channels, progressively moving to an appointment-only operating model for visa and citizenship in-person services. This supports our *Channel Strategy 2017–20* of having high-cost in-person services reserved for individuals and businesses where we need to meet them personally. This reduces cost and time for individuals, business and government.

The appointment-only model eliminates the need for clients to queue and allows us to better prepare for, and comprehensively respond to, individual needs for clients when we still need a client to attend an interview or similar face-to-face service.

HUMAN RESOURCE MANAGEMENT

Workforce profile

The Department recruits a diverse, highly skilled and committed workforce that is flexible and able to respond to government priorities. At 30 June 2019, our workforce comprised:

- 13,257 ongoing and 798 non-ongoing staff, located in every state and territory and in 114 locations around the world, a decrease from 13,566 ongoing and 850 non-ongoing staff in 2017–18
- 1043 locally engaged staff employed by DFAT on behalf of the Department in international locations
- 272 employees who identify as Aboriginal and/or Torres Strait Islander
- 82.3 per cent of staff working full-time, 13.9 per cent part time and 3.8 per cent casual
- 53.6 per cent of staff were female and 46.4 per cent male
- The average age of the workforce was 43.6 years.

For 2018–19, the voluntary separation rate of ongoing staff was 8.9 per cent. The external recruitment rate was 6.5 per cent.

Table 13 shows the staffing headcount by actual classification and gender, including staff acting at different classifications, as well as staff on leave at 30 June 2019. Figure 11 shows the Senior Executive Service (SES) headcount by gender. Figure 12 shows the staffing headcount by location.

Table 13: Department of Home Affairs employment type by classification and gender, at 30 June 2019³⁵

DEPARTMENT OF HOME AFFAIRS Including the Australian Border Force employment type by classification and gender at 30 June 2019							
ACTUAL CLASSIFICATION	ONGOING		NON- ONGOING		TOTAL		
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	TOTAL
Graduate/Trainee/Cadet	47	61	0	0	47	61	108
APS Level 1	2	7	0	0	2	7	9
APS Level 2	44	61	315	260	359	321	680
APS Level 3	943	1,191	58	49	1,001	1,240	2,241
APS Level 4	1,094	687	44	26	1,138	713	1,851
APS Level 5	1,511	1,176	5	6	1,516	1,182	2,698
APS Level 6	1,670	1,329	8	6	1,678	1,335	3,013
Executive Level 1	1,274	1,084	8	6	1,282	1,090	2,372
Executive Level 2	414	459	3	3	417	462	879
SES Band 1	68	82	0	0	68	82	150
SES Band 2	15	29	0	1	15	30	45
SES Band 3	6	3	0	0	6	3	9
Total	7,088	6,169	441	357	7,529	6,526	14,055

DEPARTMENT OF HOME AFFAIRS (Excluding Australian Border Force) employment type by classification and gender at 30 June 2019							
ACTUAL CLASSIFICATION	ONGOING		NON- ONGOING		TOTAL		
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	TOTAL
Graduate/Trainee/Cadet	46	60	0	0	46	60	106
APS Level 1	2	3	0	0	2	3	5
APS Level 2	7	5	3	1	10	6	16
APS Level 3	299	142	54	46	353	188	541
APS Level 4	796	379	43	26	839	405	1,244
APS Level 5	972	508	3	6	975	514	1,489
APS Level 6	1,296	865	8	6	1,304	871	2,175
Executive Level 1	1,093	818	7	6	1,100	824	1,924
Executive Level 2	353	366	3	3	356	369	725
SES Band 1	57	65			57	65	122
SES Band 2	8	25		1	8	26	34
SES Band 3	5	2			5	2	7
Total	4,934	3,238	121	95	5,055	3,333	8,388

35. Figures are actual classification and figures include staff acting at different classifications at 30 June 2019. Figures include staff on leave. Figures exclude the Secretary and ABF Commissioner, locally engaged staff and staff on secondment. SES Band2 figure includes one Medical Officer Grade 6 in line with Public Service Classification Rules 2000.

AUSTRALIAN BORDER FORCE

Employment type by classification and gender at 30 June 2019

ACTUAL CLASSIFICATION	ONGOING		NON- ONGOING		TOTAL		
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	TOTAL
Graduate/Trainee/Cadet	1	1	0	0	1	1	2
APS Level 1	0	4	0	0	0	4	4
APS Level 2	37	56	312	259	349	315	664
APS Level 3	644	1,049	4	3	648	1,052	1,700
APS Level 4	298	308	1	0	299	308	607
APS Level 5	539	668	2	0	541	668	1,209
APS Level 6	374	464	0	0	374	464	838
Executive Level 1	181	266	1	0	182	266	448
Executive Level 2	61	93	0	0	61	93	154
SES Band 1	11	17	0	0	11	17	28
SES Band 2	7	4	0	0	7	4	11
SES Band 3	1	1	0	0	1	1	2
Total	2,154	2,931	320	262	2,474	3,193	5,667

Figure 11: Senior Executive Service headcount by gender³⁶

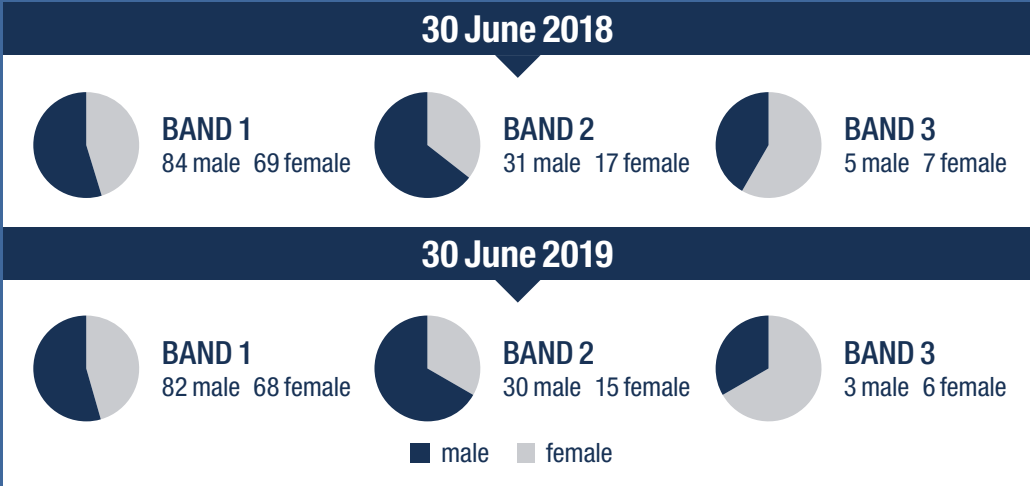
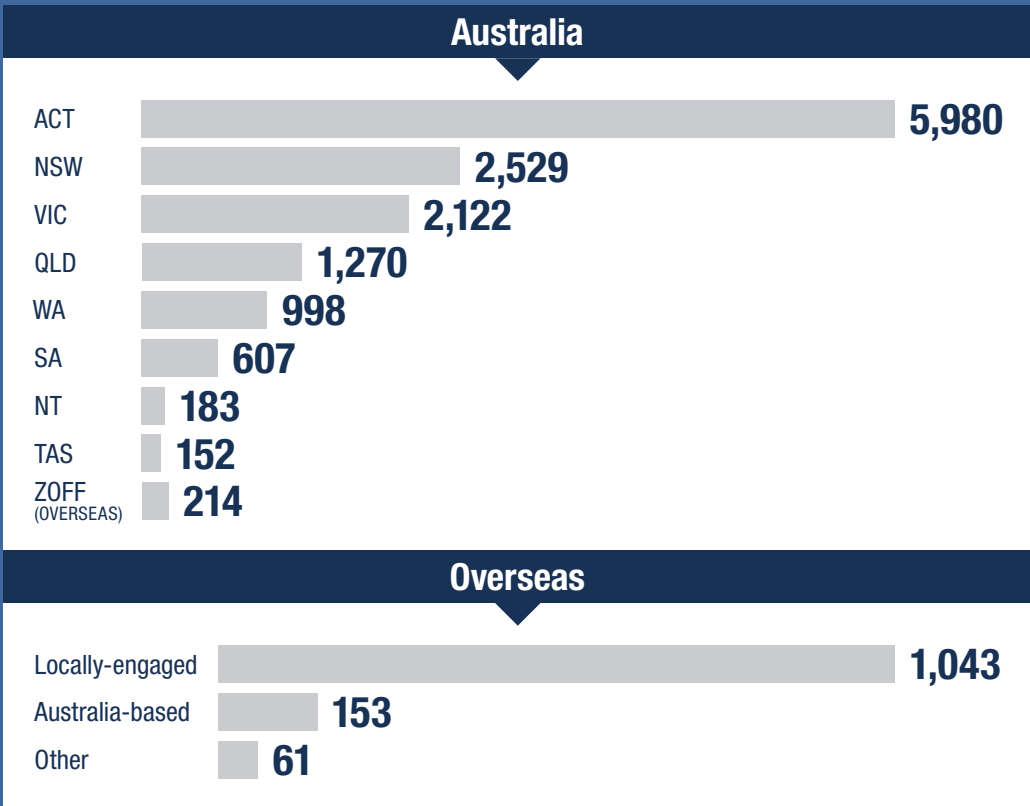


Figure 12: Staffing headcount by location



36. Figures are actual classification and figures include staff acting at different classifications at 30 June 2019. Figures include staff on leave. Figures exclude the Secretary and ABF Commissioner, locally engaged staff and staff on secondment.

Workforce planning

During 2018–19, the Department continued to mature its workforce planning capabilities through the *Department of Home Affairs Strategic Workforce Plan 2019–2023*. This plan will help us build a collaborative, capable, flexible and innovative workforce to deliver current and future business goals as outlined in the *Blueprint for Home Affairs* and the *People Strategy 2025*. The three main strategies to define and deliver workforce capabilities are focused on managing capacity, building and retaining capability, and building a high-performance culture.

The strategic workforce plan will assist each division with strategies to support ongoing workforce development and growth.

People management and development

We continue to enhance people management and development to build a high-performance culture. To ensure all staff can contribute to our mission and respond to technological advances and new ways of working, we have continued to invest in workforce planning, learning and development, leadership skills and the professionalisation of our workforce.

Key initiatives in 2018–19 included:

- Introducing a comprehensive suite of leadership programs for Executive Level (EL) employees
- creating integrated jobs role profiles to support recruitment, performance and development
- empowering managers with dashboard technology providing easier access to data on unscheduled absence and other workforce metrics
- conducting individual capability assessments for SES and EL employees and a selection of our APS6 employees
- managing the development of EL and SES employees through the Talent Management Advisory Committee
- strengthening work health and safety systems training, procedures and reporting.

People strategy

Our *People Strategy 2025*, implemented in January 2019, articulates the Department's and the ABF's vision for managing and developing its people. It is focused on the people priorities of:

- Our Capability
- Our Culture
- Our Performance.

The People Strategy highlights the importance of enabling our people to achieve our vision of a secure Australia that is prosperous, open and united. It is guiding the Department towards building our capability through effective leadership—attracting, retaining and developing talented people.

It outlines the:

- workforce capabilities we need to grow
- strategic and operational challenges we need to overcome
- opportunities we can embrace as part of the larger Portfolio of Home Affairs.

Talent management

We continue to integrate the talent management framework, underpinned by a people capability framework and a career management toolkit. Together these provide the guidance, tools and resources to support workforce performance, provide opportunities to enhance career growth and increase staff engagement.

During the year, we invested in leadership capability by applying individual capability assessments for all EL employees and extending this initiative to a selection of APS6 employees. These assessments evaluate employees against our leadership capabilities and enable the staff involved to understand their strengths, potential and areas for development. This helps them make better-informed career decisions.

The assessments also provide our Talent Management Advisory Committee members with information needed to identify critical talent and build a robust leadership pipeline.

The Talent Management Advisory Committee and the ABF Talent Management and Recognition Committee (TMARC) operate at group and divisional levels to ensure a consistent approach to talent management across the Department.

Training and development

We continue to focus on our *Leadership Strategic Plan 2016–2020* to identify desirable leadership characteristics and build workforce capability needed to meet its strategic priorities. This focus has included developing integrated job role profiles that define our competencies, skills, knowledge and attributes of roles across the Department and the ABF. This enables us to better target recruitment while helping staff and managers set clear performance and development goals to strengthen long-term workforce capability.

Leadership development initiatives are underway to empower and support our leaders at all levels. This included a review and update of our Leadership Strategy and leadership development programs. Work is underway to further develop the support framework for talent management and delivery of a high-performance culture framework.

We provide development opportunities for staff in the areas of:

- leadership, management and APS core skills through internally and externally facilitated courses
- study assistance
- scholarships
- online learning
- coaching programs.

Internally facilitated courses have been popular with staff. Most have been designed to accommodate a dispersed workforce. With the implementation of Lynda.com online content in late 2018, staff have access to thousands of industry-leading courses to meet existing and emerging needs.

The Department conducts leadership events throughout the year. Our Leadership in Action series provides a forum for staff to engage with thought leaders and experts on personal and organisational leadership—face-to-face or when broadcast online. EL conferences are also held biannually to align our executive to our enterprise strategy, vision and broader objectives.

SES development strategy

Our investment in the continuous development of our senior leaders is guided by our *Leadership Development Roadmap*. The SES Talent Management Advisory Committee provides advice and strategic direction on developing our SES cohort.

The Department offers a range of internal professional development options and targeted external development opportunities for the SES. This includes secondments, executive coaching and development programs provided by organisations such as the:

- Australian Public Service Commission (APSC)
- Australian and New Zealand School of Government
- Australian Institute of Police Management
- National Security College.

Workforce diversity

To promote equality, diversity and inclusion in the workplace, we have developed a Statement of Commitment affirming our promise to have a workforce that reflects the diversity of the community we serve. This is supported by our Diversity Champions at SES Band 3 and SES Band 2 levels.

We offer diversity and inclusion training to staff including through our induction and mandatory Aboriginal and Torres Strait Islander Cultural Awareness online training. Diversity themes and principles are also embedded in other learning and development programs.

In the past year, eight staff participated in the Jawun APS Secondment Program that places people from the private and public sector into Aboriginal and Torres Strait Islander organisations. A Jawun secondment is a significant professional development opportunity and provides an immersive learning experience focused on developing cultural competence and understanding.

Organisation membership

We are affiliated with organisations that support and promote diversity and inclusion workplace practices such as:

- Diversity Council Australia
- Australian Network on Disability
- Pride in Diversity
- Australian Human Resource Institute.

Diversity networks

We have internal staff and ally networks to ensure connectedness with those who identify with and support diversity. These include the:

- Indigenous Staff Support Network and online forum
- Focus on Ability Network and online forum
- Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) Network and online forum
- Staff Advancing Gender Equality Network and online forum
- Culturally and Linguistically Diverse Network online forum.

Diversity reporting mechanisms

We monitor and track the progress of diversity and inclusion initiatives against these Australian Government plans:

- *Gender Equality Action Plan 2017–20*
- *Disability Action Plan 2016–2020*
- *Reconciliation Action Plan 2019–22*
- *Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI+) Action Plan 2019–22.*

Additionally, our Executive Dashboard and the Diversity and Inclusion Dashboard track associated trends including network membership, gender and numbers of Aboriginal and Torres Strait Islander employees.

Commonwealth departments and agencies report on their performance as policy adviser, purchaser, regulator and provider under the *National Disability Strategy 2010–2020*. The *National Disability Strategy* sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. Progress against the strategy's six outcome areas is tracked in a high-level two-yearly report. These reports are published on the Department of Social Services website.³⁷

37. www.dss.gov.au

Reporting on the role of the Commonwealth Government as employers of people with disability is undertaken through the Australian Public Service Commission's *State of the Service Report* and the *APS Statistical Bulletin*. These reports are available on the Commission's website.³⁸

Targeted diversity recruitment

We continue to support the increased recruitment of Aboriginal and Torres Strait Islander peoples, and people with disability through use of affirmative recruitment measures under the *Australian Public Service Commissioner's Directions 2016*. Actions include participating in the:

- Indigenous Apprenticeships Program
- Indigenous Australian Government Development Program
- Australian Government Indigenous Lateral Entry Program
- APSC Indigenous Graduate Pathway
- GradAccess recruitment program (for graduates with disability).

Days of Significance

We recognise and celebrate key diversity and inclusion events, including:

- NAIDOC Week
- National Reconciliation Week
- International Women's Day
- United Nations International Day for the Elimination of Racial Discrimination
- Wear It Purple Day
- National Carers Week
- Pride Month
- International Day for the Eradication of Violence against Women
- International Day of People with Disability.

We recognise Days of Significance through hosting and providing access to activities and events nationally. To ensure maximum impact and inclusiveness, staff are able to access major events through our livestreaming capability.

38. www.apsc.gov.au

Employee entitlements

Enterprise Agreement

On 8 February 2019, the Fair Work Commission made the *Department of Home Affairs Workplace Determination 2019* (the WD). Terms and conditions of employment under the *Department of Immigration and Citizenship Enterprise Agreement 2011–2014* and determinations made under Section 24 of the *Public Service Act 1999* ceased to apply.

The WD provides a single set of employment terms and conditions for all non-SES employees of our Department and the ABF.

Salary ranges

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

Appendix D lists the Department's salary range by classification level. Classifications such as Medical Officers, Public Affairs Officers and Legal Officers have been reported under the relevant APS classification in accordance with the *Public Service Classification Rules 2000*. While most employees receive a salary that is within the salary ranges set by the WD, there are exceptions where higher salaries have been paid as a result of Machinery-of-Government changes, whereby employees from previous departments were on higher salaries before moving to the Department of Home Affairs.

Individual Flexibility Arrangements have been used, to attract and retain specialist skill sets, where it has been in the best interest of the Department to pay remuneration above what is available under the WD salary range.

Key Management Personnel

Remuneration paid to Key Management Personnel (KMP) is set out in Appendix D. The remuneration arrangements of the Secretary and the ABF Commissioner are determined by the Remuneration Tribunal and are available on its website³⁹

39. www.remtribunal.gov.au

Senior Executive Service

All SES employees have terms and conditions of employment that are set out in a comprehensive determination made by the Secretary under Subsection 24(1) of the *Public Service Act 1999*. SES salary ranges (minima, maxima and intermediate points) are reviewed annually by the Secretary having regard to:

- the *APS Executive Remuneration Management Policy* (issued and amended from time to time by the APS Commissioner) which sets out arrangements for the management of executive remuneration, including an approval process for remuneration proposals above a notional amount.
- The *Australian Government Workplace Bargaining Policy 2018*, which provides a framework for agencies to implement terms and conditions of employment that are affordable and support modern and agile public sector workplaces, including limitations on the quantum of general remuneration increases for SES and non SES employees (capped at an average of two per cent per annum during the 2018–19 financial year).
- An assessment of relativities with other APS Agencies as indicated in the annual *APS Remuneration Report* produced by the APSC and released in June each year.

There were no general increases to SES remuneration made in 2018–19.

Increases in remuneration for individual SES officers can occur in a range of circumstances including:

- advancement to a higher salary point within the applicable salary range as an outcome of annual performance assessment. Advancement is contingent on an assessment rating of at least ‘fully effective’ and after having regard to role size and remuneration relative to other SES at the same classification; and
- at any time, as determined by the Secretary after considering factors including span of control, complexity, workload demand, pace of the role, mandatory qualification or experience requirements and comparability of remuneration for other similar roles (within the Department, the APS or the community at large).

In making remuneration decisions, the Secretary has regard to advice and recommendations from the Department’s Talent Management Advisory Committee (TMAC) which is chaired by the Secretary and is comprised of the ABF Commissioner and Group Heads from across the Department and ABF. TMAC considers and assesses relativities across the Departments SES cohort for both performance and remuneration.

The Department does not apply at ‘risk pay’ (for example, in the form of bonuses). A summary of remuneration components applied by the Department are at Appendix D.

Other Highly paid staff

Remuneration paid to other highly paid staff who are neither KMP nor senior executives is set out in Appendix D.

The majority of staff within this cohort (approximately 79 per cent) are posted to overseas locations. In these cases, staff are afforded additional conditions of service in the form of allowances and payments to maintain a standard of living similar to that in Australia and for working in an environment that can be challenging due to a range of factors. These provisions are set out in the Department’s Overseas Conditions of Service Policy. Employees posted overseas may reside in Commonwealth leased or owned residences at the expense of the Department and the benefit value is not received by the individual as direct remuneration. Fringe Benefits Tax (FBT) amounts associated with overseas allowances and payments are borne by the Department and are recorded against the individual as ‘Other Benefits and Allowances’.

Sea-going marine staff represent approximately 16 per cent of this cohort. Terms and conditions of employment for seagoing marine staff are set out in the WD.

The remaining staff in this cohort (5 per cent) are mostly represented by non-SES executive level staff employed in director roles whereby additional remuneration is provided through IFAs or staff who have received termination benefits by reason of their position being terminated.

Individual flexibility arrangements and workplace agreements

Table 14 shows the number of departmental staff on individual Subsection 24(1) determinations or Individual flexibility arrangements as at 30 June 2019.

Table 14: Determinations and individual flexibility arrangement

CLASSIFICATION	EMPLOYEES ON S.24(1)	EMPLOYEES ON INDIVIDUAL FLEXIBILITY ARRANGEMENTS	TOTAL
APS 3	0	0	0
APS 4	0	0	0
APS 5	0	40	40
APS 6	0	58	58
EL 1	0	128	128
EL 2	0	98	98
SES ⁴⁰	171	0	171
Total	171	324	495

40. Only substantive SES have a Section 24(1) determination.

Performance pay

Performance pay is not available to staff under the Enterprise Agreement (EA) or to those covered by the *Department of Home Affairs Workplace Determination 2019*. Performance pay is also not available to SES staff or non-SES seagoing marine unit staff.

Non-salary benefits

The Department and ABF offers staff a number of additional benefits that are not included under the provisions of the WD including:

- annual influenza immunisation
- Fit&Well Program, to improve the general health and wellbeing across the workforce, ensure safe staff access to departmental gym facilities and prepare and support ABF staff in completing its fitness requirements
- mentoring and coaching programs
- in-house capability development programs
- a confidential employee assistance program for employees and their immediate families
- access to flexible working arrangements.

WORK HEALTH AND SAFETY

Initiatives and outcomes

The Department is committed to promoting continuous work health and safety improvements and a positive workplace safety culture. Significant work has been undertaken with stakeholders in support of work health and safety strategies and systems.

Key work, health and safety initiatives during 2018–19 included:

- launching the work health and safety webpage on our new MyHR website
- conducting workplace risk assessments in ABF workplaces focused on issues such as hazardous chemicals and the provision and use of personal protective equipment
- working with leaders and workers in the Immigration and Citizenship Services Group on a strategy to address psychosocial risks associated with visa-related work
- engaging through our health and safety representatives in risk assessments and mitigation processes, including remediating water quality risks on ABF vessels, conducting risk assessments of container examination facilities, running hazardous chemicals and unknown substances awareness workshops, and representing the Department on the Visa Psychosocial Working Group
- progressing work to achieve accreditation under a globally accepted standard for systems of safety—*AS/NZ ISO 4804:2001—Occupational Health and Safety Management Systems*.

Mechanisms of injury

The Department identifies actions, events and situations that can or do cause injury and disease. Mechanism-of-injury descriptors are based on a national classification system. Table 15 shows injuries by mechanism for accepted workers compensation claims.

Table 15: Three-year summary of mechanism of injury for accepted claims

ACCEPTED CLAIMS	2016–17	2017–18	2018–19
Falls, trips and slips	31	30	23
Hitting objects	5	4	4
Being hit by moving objects	16	15	17
Sound and pressure	0	2	1
Body stressing	43	37	36
Heat, electricity and other environmental	0	2	0
Chemicals and other substances	1	1	1
Biological factors	1	1	1
Mental stress	10	9	6
Hazard	0	0	0
Vehicle accidents and other	1	0	0
Other or unspecified	0	8	3
Total	108	109	92

Notifiable incidents

Table 16 shows the incidents notified to Comcare under sections 35, 36 and 37 of the *Work Health and Safety Act 2011*.

Table 16: Incidents notified to Comcare

NOTIFIABLE INCIDENT CLASSIFICATION	2016–17	2017–18	2018–19
Death	1	2	3
Serious injury/illness	34	46	33
Dangerous incident	25	52	24
Total	60	100	60

Investigations

The Department liaises with Comcare on all regulatory and cooperative compliance matters. Both organisations meet monthly to work collaboratively on work health and safety matters of mutual interest. Between 1 July 2018 and 30 June 2019, Comcare issued 50 notices under Section 155 of the *Work Health and Safety Act 2011* on matters related to the Department's responsibilities.

The scope of these notices are broad and varied. All Comcare investigations conducted under these notices have determined that the Department has complied with its duties under both the *Work Health and Safety Act 2011* and *Work Health and Safety Regulations* with respect to the work health and safety matters raised under the investigations.

Unscheduled absence management

Analysis of unscheduled absence shows that just over 31 per cent of employees took five days or less personal leave over the last 12 months⁴¹ and just over 53 per cent of employees took 10 days or less personal leave.

The Department continues to work with staff and managers to address high levels of unscheduled absences, to balance avoidable absences and undesirable presenteeism. We support the health and wellbeing of employees, including actively managing instances where individuals struggle with attendance. Employees with serious illnesses or injury receive support from their local managers and case management to help them recover and return to work sustainably.

41. Data for 2018–19 as at 30 June 2019, extracted on 24 July 2019 from the Unscheduled Absence Dashboard.

PROCUREMENT, ASSETS AND GRANTS

Purchasing and procurement

The Department bases its purchasing and procurement policies on the PGPA Act, *Commonwealth Procurement Rules* and the *General Procurement (Judicial Review) Act 2018*.

The Corporate and Enabling Group provided specialist advice and support to all departmental areas engaged in procurement and contract management through:

- promoting self-service, including through streamlined information, guidance and tools supported by a procurement helpdesk function
- dedicated procurement staff to provide advice and support for approaches to market
- developing and maintaining policy documentation and guidance
- establishing procurement complaint handling processes in line with the *General Procurement (Judicial Review) Act 2018*
- providing comprehensive advice for high risk and/or high-value procurements
- providing online and face-to-face training on procurement policy and contract management
- coordinating external procurement and contract reporting
- providing legal and probity advice.

The Department publishes contract information on AusTender, the Australian Government's tendering system, in accordance with the *Commonwealth Procurement Rules*. Significant non-compliance matters are notified in accordance with Section 19(e) of the PGPA Act. We had no significant non-compliance matters in 2018–19.

Australian National Audit Office (ANAO) access clauses

The Department's standard contract templates and the Commonwealth Contracting Suite include provisions allowing the Auditor-General to have access to the contractor's premises, known as ANAO access clauses.

Exempt contracts

The Department did not have any contracts valued at \$10,000 or more (inclusive of GST) or any standing offers that had been exempted by the Secretary from being published on AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

Small and medium enterprises

The Department supports small business participation as outlined in the Commonwealth Government procurement market. Small and medium enterprises and Small Enterprise participation statistics are available on the Department of Finance's website.⁴²

We recognise the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Department of Employment, Skills, Small and Family Business website.

Our procurement practices to support small to medium enterprises were consistent with Paragraph 5.5 of the *Commonwealth Procurement Rules*.⁴³

For example, our initiatives and practices in 2018–19 demonstrated our commitment. We:

- used the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000
- developed Australian Industry Participation plans in whole-of-government procurement where applicable
- followed Small Business Engagement Principles, as outlined in the Government's Industry Innovation and Competitiveness Agenda, including by communicating in clear, simple language and presenting information in an accessible format
- used electronic systems or other processes to facilitate on-time payment performance, including payment cards
- used the *Indigenous Procurement Policy* to engage businesses in the \$80,000 to \$200,000 mandatory procurement threshold.

Consultancy services

The Department's policy for selecting and engaging consultants is based on the core principle of value for money and conducted in accordance with the PGPA Act and the *Commonwealth Procurement Rules*. Decisions to procure consultancy services are made both strategically and operationally, injecting specialist skills, knowledge and independent expertise in areas outside of the Department's core business functions.

42. www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts

43. www.employment.gov.au/pay-time-survey-results

In 2018–19, the Department entered into 47 new consultancy contracts as reflected on AusTender. Total actual expenditure against these contracts was \$4.62 million (inclusive of GST). In addition, 57 ongoing consultancy contracts which were previously reported on AusTender remained active during 2018–19 and incurred total actual expenditure of \$18.02 million (inclusive of GST) during the period.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website⁴⁴.

Advertising and market research expenditure

During 2018–19, the Department conducted these advertising campaigns:

- Border Watch Information Campaign
- Anti-People Smuggling Communication Campaign.

The advertising and market research expenditure is outlined in Table 17.

More information on these advertising campaigns is reported on in the Chief Executive Certifications or Commonwealth Government advertising campaigns published on the Department of Home Affairs website⁴⁵, and in Australian Government advertising reports published on the Department of Finance’s website.⁴⁶

44. www.tenders.gov.au

45. www.homeaffairs.gov.au

46. www.finance.gov.au

Table 17: Advertising and Market Research

MEDIA ADVERTISING AND MARKET RESEARCH	TOTAL AMOUNT PAID AGAINST CONTRACT (GST exclusive)	TOTAL AMOUNT PAID AGAINST CONTRACT (GST inclusive)
MARKET RESEARCH		
ARTD Pty Ltd	\$19,900	\$21,890
Fifty-Five Five Pty. Ltd	\$166,455	\$183,100
Hall & Partners Pty Ltd	\$48,974	\$53,871
Paper Giant Pty Ltd	\$69,965	\$76,962
Providence Consulting Group Pty Ltd	\$20,720	\$22,792
Whereto Research Based	\$524,108	\$576,519
Total	\$850,121	\$935,134
MEDIA ADVERTISING		
Dentsu X Australia Pty Ltd	\$36,744	\$40,418
Mediabrand Australia Pty Ltd	\$1,577,816	\$1,735,597
Total	\$1,614,560	\$1,776,016
ADVERTISING AGENCIES⁴⁷		
M&C Saatchi World Services	\$2,114,285	\$2,114,285
Statt Consulting Limited	\$4,466,696	\$4,466,696
Tal Group Thompson Associates	\$1,177,783	\$1,177,783
TBWA Melbourne Pty Ltd	\$984,157	\$1,082,573
Total	\$8,742,921	\$8,841,337

Asset management

The Department managed \$2.660 billion of non-financial assets in 2018–19, compared to \$2.65 billion in 2017–18. The Department's main asset classes are land and buildings, leasehold improvements, vessels, plant and equipment, and intangible assets (software). They include:

- \$1.041 billion in administered property, plant and equipment assets primarily held to support the care and management of detainees, including Illegal Maritime Arrivals in immigration detention, compared to \$1.07 billion in 2017–18.
- \$1.488 billion in departmental fixed assets, including \$586 million in computer software supporting the Department's operations and \$320 million in vessels that support the ABF, but excluding prepayments, inventories held and other non-financial assets. This compares to \$1.44 billion in departmental fixed assets in 2017–18.

47. The vendors listed under Advertising Agencies are not subject to GST, with the exception of Saatchi & Saatchi Australia Pty Ltd.

The Department's governance framework for managing assets to enable the accurate reporting of asset balances in the financial statements encompasses:

- asset investment, through setting an annual capital plan that reflects both Government priorities and ongoing business requirements. The plan is regularly monitored to ensure that planned expenditure reflects the Department's business requirements
- monitoring existing assets
- undertaking an annual stocktake and impairment review of non-current assets that is used to:
 - update and verify the accuracy of asset records
 - review the condition and utility of assets
 - assess expected useful lives of assets.
- conducting fair value measurement through rolling three yearly revaluations of all tangible assets, completed by qualified external valuers. A valuation review in 2018–19 resulted in a \$6.46 million increase to the Administered Land assets only.
- maintaining property, plant and equipment assets, including those leased under contract from various service providers through specific maintenance programs.

Additional information on the value, acquisition, disposal and revaluation of assets is available in the 2018–19 financial statements in Part 4 of this report.

Grants program

Information on grants awarded by the Department for 2018–19 is available on GrantConnect.⁴⁸

All grants awarded were consistent with the Commonwealth Grant Rules and Guidelines, available on the Department of Finance's website.⁴⁹

48. www.grants.gov.au

49. www.finance.gov.au/resource-management/grants

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

Improvement and sustainability initiatives

Under Section 516A of the *Environmental Protection and Biodiversity Conservation (EPBC) Act*, Commonwealth organisations have a statutory requirement to report on their environmental performance and how they accord with, and advance the principles of, ecologically sustainable development. The following information reports on our environmental performance in accordance with these requirements for 2018–19.

Green Lease Schedule management

As part of the *Energy Efficiency in Government Operations (EEGO) Policy*, a Green Lease Schedule is a mandatory inclusion in Government leases of more than 2,000 m². This schedule is a commitment to energy monitoring and improvement by the tenant and landlord. We have 16 leases that contain such a schedule and comply with the key requirements of a Green Lease Schedule, including by:

- attending Building Management Committee meetings
- developing energy management plans
- undertaking the required National Australian Built Environment Rating System ratings annually.

Information and communication technology sustainability initiatives

In 2018–19, we progressed simplifying our information and communications technology (ICT) operating environment by transitioning all staff to a consolidated end-user computing environment and releasing improvements to applications such as improving the user interface and functionality of our intranet. We also continued to improve the experience for our operational officers, including having refreshing the ICT hardware on ABF vessels.

This has supported a highly available, resilient and supported ICT environment for operational officers. Our cyber security has improved, with significant progress made to the Australian Signals Directorate Top Four cyber-security mitigations.

The Department actively manage our ICT assets, which support continuous operational requirements spanning immigration and citizenship operations, customs and trade facilitation and intelligence. We continue to focus on the sustainability of our ICT assets, including through deliberate efforts to rationalise and decommission duplicate or legacy systems.

Heritage strategy

The Department managed our obligations under the *Environmental Protection and Biodiversity Conservation Act 1999* to preserve and promote Commonwealth Government heritage sites. The Villawood Immigration Detention Facility is our only property included on the Commonwealth Heritage List.

A heritage precinct was established on the northern boundary of the Villawood Immigration Detention Facility, facing Miowera and Gurney Roads. A heritage precinct master plan ensures the continuing protection of the site's remaining heritage values.

The precinct features these key elements:

- Villawood migrant hostel
- two Nissen accommodation huts
- former dining room (Saar hut)
- boilers from the original laundry.

Energy efficiency

In 2018–19, the Department investigated opportunities for energy efficiency projects including solar photovoltaic and LED (light emitting diode) lighting upgrades at a number of sites. We also identified key focus sites for energy improvements through high-level energy audits to further our commitment to sustainable management of our tenancies.

We committed to monitoring and reducing our energy consumption and associated emissions at key offices nationally by becoming a CitySwitch signatory. We also participated in Earth Hour 2019 by switching off non-essential lighting and office equipment at sites nationally.

As part of the *Energy Efficiency in Government Operations Policy*, we are required to report our performance against key energy intensity targets annually. Table 18 details our performance in 2018–19.

Table 18: Energy performance against EEGO policy intensity target

EEGO CATEGORY	NLA	FTE	MJ	MJ/FTE	MJ/NLA	Green power (MJ)
Tenant light and power	264,914	10,517	92,261,132	9,153	367.37	-
Computer centre	29,530	-	3,770,219	-	127.67	-
Other building ⁵⁰	168,786	-	20,656,277	-	122.38	-
Other use ⁵¹	14,000	-	9,593,343	-	685.24	-
Total	477,233	10,517	130,280,971	9,153	1,298.66	-

Table 19 details our performance year-on-year against the EEGO Tenant Light and Power target of no more than 7500 megajoules (MJ) per person, per annum.

Table 19: Energy performance against EEGO Tenant Light and Power target

DEPARTMENT OF HOME AFFAIRS	2016–17	2017-18	2018-19
Tenant light and power (EEGO policy target—7,500 MJ)	7,896 MJ	7,238 MJ	9,153MJ

50. Facility types that do not fit the other building categories. For example storage sheds.

51. Energy consumption of facilities that for not fit any of the above categories.

PART 6

APPENDICES

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APPENDIX A: YEARS AT A GLANCE

Table 20: Years at a glance⁵²

MIGRATION	2016–17	2017–18	2018–19
PERMANENT MIGRATION PROGRAM AND CHILD OUTCOME	183,608	162,417	160,323
Skill stream places	123,567	111,099	109,713
Family stream places	56,220	47,732	47,247
Special eligibility stream places	421	236	115
Child places delivered outside the managed Migration Program	3,400	3,350	3,248
TEMPORARY VISAS GRANTED	8.4 MILLION	8.7 MILLION	8.8 MILLION
Visitor visas granted	5.3 million	5.6 million	5.7 million ⁵³
Number of eVisas granted	4.1 million	4.9 million	5.3 million
Student visas granted	343,035	378,292	405,742
Working holiday maker visas granted	211,011	210,456	209,036
Special Category (subclass 444) visas granted	1.9 million	1.9 million	1.9 million
Maritime crew and transit visas granted	352,394	351,516	347,744
Temporary Work (skilled) (subclass 457) visas granted	87,580	64,470	81,975
Temporary residents (other) visas granted	145,100	180,459	186,148
Other Temporary	12,257	13,074	11,886
REFUGEE AND HUMANITARIAN ENTRY			
Humanitarian program visas granted (2016–17 included visas granted towards the annual resettlement component of the Humanitarian Program, and the additional 12,000 places for people displaced by conflict in Syria and Iraq)	21,968	16,250	18,762
Number of Illegal Maritime Arrival legacy caseload applications finally determined (grants and refusals)	8,000	7,041	4,420
CITIZENSHIP			
Number of people conferred with Australian citizenship	139,278*	80,649*	127,674
Number of people whose applications for Australian citizenship by conferral, descent and resumption were approved	149,007*	100,102*	164,344

52. * indicates where figures from previous financial years have been updated in the Years at a Glance Table 20.

53. Data includes E-grants and Electronic Travel Authorities.

BORDER MANAGEMENT

International air and sea travellers processed (including crew)	43.7 million	46.0 million	47.4 million
Ship arrivals and departures from Australian ports	36,654	37,600	37,594
Immigration clearances refused at air and seaports	4,132	4,584	4,191
SmartGate clearances	24.2 million	26.0 million	27.5 million
Sea cargo consignments inspected	85,389	89,253*	70,238
Air cargo consignments inspected	2.1 million	1.8 million	1.1 million
International mail items inspected	58.5 million	54.6 million	36.4 million
Number of illicit and restricted drugs detected at the border	43,418*	43,278*	35,763
Combined weight of major illicit drugs and precursors detected at the border	7,868 kg*	14,082kg*	19,440 kg
Tonnes of illicit tobacco detected at the border	358.05 tonnes*	432.86 tonnes*	633.18 tonnes
Number of undeclared conventional firearms, parts and accessories detected at the border	1,712	2,007*	2,271
Detector dog supported detections (passenger and cargo)	1,974	2,550	1,784

BORDER PROTECTION

Marine unit patrol days total	2,628*	2,668*	2,195
Marine unit patrol days excluding Australian Border Force Cutter's (ABFC) Ocean Shield and Thaiyak ⁵⁴	1,987	2,036	1,646

COMPLIANCE

Percentage of temporary entrants who maintained their lawful immigration status while in Australia	99	99	99
Location events of unlawful non-citizens ⁵⁵	15,911*	14,776*	14,203
Location events of Illegal workers ⁵⁶	2,269*	2,393*	1,615
Illegal Worker Warning Notices (IWWNs) issued to employers of illegal workers ⁵⁷	402*	322*	297
Removals and assisted departures of non-citizens onshore and transferees from regional processing centres ⁵⁸	14,785*	14,071*	9,206
Total number of visa cancellations ⁵⁹	57,113*	57,429*	53,993
Total number of non-humanitarian visa refusals	238,335	308,150	377,469

DETENTION

Illegal foreign fishers taken into immigration detention	192	58	41
People in Australian immigration detention (mainland) at 30 June	1,815	1,715	2,133 ⁶⁰

54. Figure excludes ABFC's Ocean Shield and Thaiyak.

55. Some non-citizens may have been located more than once in any given programme year. Each location event is counted.

56. Historical figures for previous financial years were refreshed and updated on 6 July 2017. As a result, due to retrospective data entries, systems corrections and improvements to methodologies data, figures may differ from those previously reported.

57. The figures include returns and removals of non-citizens from the Australian mainland and regional processing centres, including IMAs, IMA crew, IFFs and border turnarounds.

58. This figure accounts for total onshore compliance departures and excludes IMAs, IMA crew, IMA BVE, IFFs and other authorised arrivals.

59. the figures include all onshore/offshore visa cancellations. A visa may be recorded as cancelled more than once. This can occur when a visa is cancelled, and the cancellation is subsequently revoked or set aside (this may occur for a number of reasons, including further legal proceedings, and administrative or jurisdictional errors), and then the visa is cancelled again. Duplication may also occur.

60. Figure includes people in immigration detention under residence determinations.

TRADE, CUSTOMS AND REVENUE			
Import and export entries	5.2 million	5.5 million*	5.6 million
Revenue collected from visa application charges, customs duty, import processing charges and passenger movement charges	17.7 billion	19.3 billion	19.891 billion
CLIENT CONTACT			
Telephone calls to service centres (general enquiries and citizenship information lines)	1.2 million	1.0 million	1.5 million
Telephone interpreting services	1.1 million	1.0 million	1.0 million
Telephone calls to Translating and Interpreting Service National's contact centre	1.2 million	1.2 million	1.1 million
TRANSPORT SECURITY COMPLIANCE ACTIVITIES			
Audits ⁶¹	167	195	94
Inspections	498	704	478
System tests	361	790	1,021
Total	1,026	1,689	1,593
EMPLOYEE HEAD COUNT			
Department employees	7,574	8,399	8,388
Australian Border Force (ABF) employees	6,183	6,017	5,667
Total employees	13,757	14,416	14,055
Locally engaged employees	1,110	1,143	1,043
Total employees (including locally engaged)⁶²	14,867	15,559	15,098

61. The figures are inclusive of both NCP and Targeted activities.

62. Figure excludes Secretary, ABF Commissioner and staff on secondment. Figures inclusive of staff on leave, employees engaged locally and staff based both in Australia and overseas.

APPENDIX B: CORRECTION OF MATERIAL ERRORS

In the *Department of Home Affairs Annual Report 2017–18*, the Department and the ABF published material errors and/or inconsistencies in its reporting. As a result, comparisons against similar data from previous financial years may have been difficult. These are the corrections for 2017–18:

Page 19

The Department at a glance: marine unit patrol days, was reported as 2036 patrol days. The correct figure is 2668 patrol days, which includes all ABF patrol fleets, including ABFC Ocean Shield and ABFC Thaiyak.

Pages 19 and 82

The number of enquiries received by the Transport Security Guidance Centre was reported as 2498. The correct figure is 2506.

Pages 32 and 46

The figure for number of illicit and restricted drug detected at the border was reported as 43,251 (on page 46) and 42,872 (on page 32) detections. The correct figure is 43,278 detections.

Pages 38–39

Figure 5 and Table 3—the name of Program 1.1 was reported as Maritime Domain. The correct name of Program 1.1. is Border Enforcement.

Page 40

Purpose 1 at a glance—Air coverage, was reported as 120.79 square nautical miles. The correct figure is 120.79 million square nautical miles.

Purpose 1 at a glance—Marine unit patrol days, was recorded as 2036 patrol days. The correct figure is 2668 patrol days, which includes all ABF patrol fleets, including ABFC Ocean Shield and ABFC Thaiyak.

Page 47

SPM 1.2.6—the number of infringement notices issued in the passenger stream was reported as 248. The correct number is 255.

Page 62

SPM 2.3.2—the proportion of Australian citizenship by conferral applications that were lodged electronically was reported as 71 per cent. This correct figure is 71.6 per cent.

SPM 2.3.2— the proportion of all visa applications were lodged electronically was reported as 90 per cent (up eight per cent from 2016–17). The correct figure is 88 per cent (up six per cent from 2016–17).

Page 66

The number of Visa Entitlement Verification Online status and entitlement checks was reported as 11,462,700. The correct figure is 11,462,733.

Page 72

The number of compliance activities undertaken was reported as 11,168. The correct figure is 11,157.

Page 79

Strategic Priority 6: Emergency management—SP6.4 was reported as ‘Our professionalism, skills and commitment’. The correct SP6.4 is: ‘Our community impact’.

Page 190

The Complaints section reported that the Department resolved all nine privacy complaints received from the Office of the Australian Information Commissioner in 2017–18 during that period. The correct information is that the Department resolved six of the nine privacy complaints received in 2017–18, and also resolved four privacy complaints received from 2014–15 onwards.

Page 197

In Table 13—the figure for SES Band 3 for ABF ongoing, was reported as 2. The correct figure is 3.

The figure for SES Band 3 for ABF non-ongoing, was reported as 1. The correct figure is 0.

The total figure for Department of Home Affairs non-ongoing was reported as 188. The correct figure is 189.

Page 210

The proportion of employees who took 10 days or less of personal leave was reported as 64 per cent. The correct figure is 56 per cent

Page 213

In Table 19, the figure for Tal Group Thompson Associates total amount paid against contract (GST exclusive), was reported as \$358,271. The correct figure is \$658,271.

Pages 220–222

Table 21—Years at a glance omitted supporting footnotes. Consistent with the *Department of Immigration and Border Protection 2016–17 Annual Report*, the *Department of Home Affairs Annual Report 2017–18* should have included supporting footnotes. Footnotes that should have been reflected are in Table 20 at page 208 of the *Department of Home Affairs Annual Report 2018–19*.

In Table 21—Years at a glance, figures published represented the most up to date data available prior to publication. Where more up to date data has become available since publication this is reflected by * against relevant figures in Table 20 at page 208 of the *Department of Home Affairs Annual Report 2018–19*.

APPENDIX C: REPORT ON FINANCIAL PERFORMANCE

Financial resource statement 2018–19

	ACTUAL AVAILABLE APPROPRIATION 2018–19 \$'000	PAYMENTS MADE 2018–19 \$'000	BALANCE REMAINING 2018–19 \$'000
Ordinary annual services			
Appropriation receivable ^a	254,423	254,375	48
Departmental appropriation ^b	2,757,970	2,454,059	303,911
Section 74 of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) - relevant agency receipts	278,107	278,107	-
Total	3,290,500	2,986,541	303,959
Administered expenses			
Outcome 1	1,999,868	1,641,010	
Outcome 2	52,438	42,544	
Outcome 3	-	-	
Total^c	2,052,306	1,683,554	
Total ordinary annual services	A 5,342,806	4,670,095	
Other services			
Administered expenses specific payments to states, ACT, NT and local government	1,798	525	
Total	1,798	525	
New administered expenses			
	-	-	
Total	-	-	
Departmental non-operating			
Equity injections ^d	278,915	172,223	106,692
Total	278,915	172,223	106,692
Administered non-operating			
Prior year administered appropriation	125,836	52,185	
Administered assets and liabilities	491	-	
Payments to Commonwealth Companies (PGPA Act) bodies—non-operating	-	-	
Total	126,327	52,185	
Total other services	B 407,040	224,933	

		ACTUAL AVAILABLE APPROPRIATION 2018–19 \$'000	PAYMENTS MADE 2018–19 \$'000	BALANCE REMAINING 2018–19 \$'000
Total available annual appropriations and payments		5,749,846	4,895,028	
Special appropriations				
Special appropriations limited by criteria/entitlement				
PGPA Act, Section 77			648,107	
Taxation Administration Act 1953, Section 16			255,573	
Special appropriations limited				
Social Security (Administration) Act 1999, Section 242			120,379	
Total special appropriations	C		1,024,059	
Special accounts*				
Opening balance		-	-	
Appropriation receipts		-	-	
Appropriation receipts—other agencies		-	-	
Non-appropriation receipts to special accounts—restructuring		7,112	-	
Non-appropriation receipts to special accounts—other		18,251	-	
Payments made		-	24,160	
Total special account	D	25,363	24,160	
Total resourcing and payments (A+B+C+D)		5,775,209	5,943,247	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or corporate entities through annual appropriations		-	-	
Total net resourcing and payments for the Department		5,775,209	5,943,247	

- a. Actual available appropriation receivable excludes prior year appropriations that lapsed during 2018–19 (\$38.354 million) or withheld in accordance with section 51 of the PGPA Act (\$2.700 million).
- b. *Appropriation Act (No. 1) 2018–2019*, *Appropriation Act (No. 3) 2018–2019* and advances provided under the annual Appropriation Acts for the year ended 30 June 2019. Includes an amount of \$136.548 million for departmental capital budget. For accounting purposes, this amount has been designated as 'contributions by owners'. Also includes amounts for *Appropriation Act (No. 1) 2018–2019* (\$3.479 million), *Appropriation Act (No. 1) 2017–2018* (\$0.506 million) and *Appropriation Act (No. 1) 2016–2017* (\$0.653 million) transferred to the Department in 2018–19 through section 75 of the PGPA Act. Excludes funding withheld under section 51 of the PGPA Act.
- c. Administered payments include all cash payments in 2018–19 for administered expenses. Includes an amount of \$20.567 million for the administered capital budget. For accounting purposes, this amount has been designated as 'transfer from the Australian Government for administered assets and liabilities'.
- d. Actual available appropriation for 2018–19 includes \$158.239 million attributed to prior years. Excluded from actual available appropriation for 2018–19 are prior year appropriations that lapsed during 2018–19 (\$14.639 million) or withheld in accordance with section 51 of the PGPA Act (\$13.319 million).
- e. *The Proceeds of Crime Act 2002* special account and services for other entities and trust moneys special account were established during 2017–18. Zero balance was brought forward for each special account from 2018. \$7.112 million was transferred to the Department from the Services for other entities and trust monies special account administered by the Attorney General's Department as a result of restructuring in 2018–19.

Expenses for Outcome 1 2018–19

OUTCOME 1: Protect Australia's sovereignty, security and safety through its national security, emergency management system, law enforcement, and managing its border, including managing the stay and departure of all non-citizens.

BUDGET 2018–19 ^a \$'000	ACTUAL EXPENSES 2018–19 \$'000	VARIATIONS 2018–19 \$'000
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Program 1.1: Border Enforcement

Departmental expenses:

Departmental appropriation ^b	993,818	943,147	(50,671)
Expenses not requiring appropriation in the Budget year ^c	110,106	125,048	14,942
Departmental total	1,103,924	1,068,195	(35,729)
Total expenses for Program 1.1	1,103,924	1,068,195	(35,729)

Program 1.2: Border Management

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	8	-	(8)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	8	-	(8)

Departmental expenses:

Departmental appropriation ^b	242,139	382,754	140,615
Expenses not requiring appropriation in the Budget year ^c	41,815	53,346	11,531
Departmental total	283,954	436,100	152,146
Total expenses for Program 1.2	283,962	436,100	152,138

Program 1.3: Onshore Compliance and Detention

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	814,940	651,413	(163,527)
Expenses not requiring appropriation in the Budget year ^c	57,333	52,684	(4,649)
Administered total	872,273	704,097	(168,176)

Departmental expenses:

Departmental appropriation ^b	419,596	365,627	(53,969)
Expenses not requiring appropriation in the Budget year ^c	38,334	41,740	3,406
Departmental total	457,930	407,367	(50,563)
Total expenses for Program 1.3	1,330,203	1,111,464	(218,739)

- a. Budget relates to the estimated actuals for 2018–19 reported in the Portfolio Budget Statements (PBS) 2019–20 which incorporates the measures provided in the Portfolio Additional Estimates Statements (PAES) 2018–19.
- b. Departmental and administered appropriations combine ordinary annual services (Appropriation Acts No. 1 and Act No. 3) and retained revenue receipts under section 74 of the PGPA Act.
- c. Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets and resources received free of charge.

	BUDGET 2018–19 ^a \$'000	ACTUAL EXPENSES 2018–19 \$'000	VARIATIONS 2018–19 \$'000
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Program 1.4: IMA Offshore Management

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	1,078,321	920,768	(157,553)
Expenses not requiring appropriation in the Budget year ^c	42,661	62,821	20,160
Administered total	1,120,982	983,589	(137,393)
Departmental expenses:			
Departmental appropriation ^b	32,409	72,330	39,921
Expenses not requiring appropriation in the Budget year ^c	4,129	5,371	1,242
Departmental total	36,538	77,701	41,163
Total expenses for Program 1.4	1,157,520	1,061,290	(96,230)

Program 1.5: Regional Cooperation

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	70,401	67,496	(2,905)
Special Account - Services for other entities and trust moneys	-	1,135	1,135
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	70,401	68,631	(1,770)
Departmental expenses:			
Departmental appropriation ^b	18,394	34,799	16,405
Expenses not requiring appropriation in the Budget year ^c	1,725	1,450	(275)
Departmental total	20,119	36,249	16,130
Total expenses for Program 1.5	90,520	104,880	14,360

Program 1.6: Transport Security

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	35,925	1,096	(34,829)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	35,925	1,096	(34,829)
Departmental expenses:			
Departmental appropriation ^b	48,814	35,622	(13,192)
Expenses not requiring appropriation in the Budget year ^c	3,142	3,799	657
Departmental total	51,956	39,421	(12,535)
Total expenses for Program 1.6	87,881	40,517	(47,364)

- a. Budget relates to the estimated actuals for 2018–19 reported in the Portfolio Budget Statements (PBS) 2019–20 which incorporates the measures provided in the Portfolio Additional Estimates Statements (PAES) 2018–19.
- b. Departmental and administered appropriations combine ordinary annual services (Appropriation Acts No. 1 and Act No. 3) and retained revenue receipts under section 74 of the PGPA Act.
- c. Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets and resources received free of charge.

	BUDGET 2018–19 ^a \$'000	ACTUAL EXPENSES 2018–19 \$'000	VARIATIONS 2018–19 \$'000
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Program 1.7: National Security and Criminal Justice

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	66,698	53,428	(13,270)
Special Appropriation—Australian Victim of Terrorism Overseas Payment	1,825	790	(1,035)
Special Account—Services for other entities and trust moneys	-	429	429
Special Account— <i>Proceeds of Crime Act 2002</i>	15,400	22,596	7,196
Expenses not requiring appropriation in the Budget year ^c	1,415	970	(445)
Administered total	85,338	78,213	(7,125)

Departmental expenses:

Departmental appropriation ^b	114,200	96,138	(18,062)
Expenses not requiring appropriation in the Budget year ^c	7,698	9,171	1,473
Departmental total	121,898	105,309	(16,589)
Total expenses for Program 1.7	207,236	183,522	(23,714)

Program 1.8: Cyber Security

Departmental expenses:

Departmental appropriation ^b	1,624	1,132	(492)
Expenses not requiring appropriation in the Budget year ^c	24	175	151
Departmental total	1,648	1,307	(341)
Total expenses for Program 1.8	1,648	1,307	(341)

Program 1.9: Counter Terrorism

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	14,839	14,716	(123)
Expenses not requiring appropriation in the Budget year ^c	-	294	294
Administered total	14,839	15,010	171

Departmental expenses:

Departmental appropriation ^b	3,017	10,652	7,635
Expenses not requiring appropriation in the Budget year ^c	128	822	694
Departmental total	3,145	11,474	8,329
Total expenses for Program 1.9	17,984	26,484	8,500

- a. Budget relates to the estimated actuals for 2018–19 reported in the Portfolio Budget Statements (PBS) 2019–20 which incorporates the measures provided in the Portfolio Additional Estimates Statements (PAES) 2018–19.
- b. Departmental and administered appropriations combine ordinary annual services (Appropriation Acts No. 1 and Act No. 3) and retained revenue receipts under section 74 of the PGPA Act.
- c. Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets and resources received free of charge.

	BUDGET 2018–19 ^a \$'000	ACTUAL EXPENSES 2018–19 \$'000	VARIATIONS 2018–19 \$'000
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**Program 1.10: Australian Government Disaster
Financial Support Payments**

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	1,800	1,226	(574)
Special Appropriation - Disaster Recovery Allowance	5,454	-	(5,454)
Special Appropriation - Disaster Recovery Payment	177,408	119,589	(57,819)
Expenses not requiring appropriation in the Budget year ^c	1,856	(826)	(2,682)
Administered total	186,518	119,989	(66,529)
Total expenses for Program 1.10	186,518	119,989	(66,529)

Outcome 1 Totals by appropriation type

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	2,082,932	1,710,143	(372,789)
Special Appropriation - Australian Victim of Terrorism Overseas Payment	1,825	790	(1,035)
Special Appropriation - Disaster Recovery Allowance	5,454	-	(5,454)
Special Appropriation - Disaster Recovery Payment	177,408	119,589	(57,819)
Special Account - Services for other entities and trust moneys	-	1,564	1,564
Special Account - Proceeds of Crime Act 2002	15,400	22,596	7,196
Expenses not requiring appropriation in the Budget year ^c	103,265	115,943	12,678
Administered total	2,386,284	1,970,625	(415,659)

Departmental expenses:

Departmental appropriation ^b	1,874,011	1,942,201	68,190
Expenses not requiring appropriation in the Budget year ^c	207,101	240,922	33,821
Departmental total	2,081,112	2,183,123	102,011
Total expenses for Outcome 1	4,467,396	4,153,748	(313,648)
Average staffing level (number)	8,965	8,880	(85)

- a. Budget relates to the estimated actuals for 2018–19 reported in the Portfolio Budget Statements (PBS) 2019–20 which incorporates the measures provided in the Portfolio Additional Estimates Statements (PAES) 2018–19.
- b. Departmental and administered appropriations combine ordinary annual services (Appropriation Acts No. 1 and Act No. 3) and retained revenue receipts under section 74 of the PGPA Act.
- c. Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets and resources received free of charge.

Expenses for Outcome 2 2018–19

OUTCOME 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa, multicultural and citizenship programs and provision of refugee and humanitarian assistance	BUDGET	ACTUAL	VARIATIONS
	2018–19 ^a	2018–19	2018–19
	\$'000	\$'000	\$'000

Program 2.1: Multicultural Affairs and Citizenship

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	9,727	9,692	(35)
Expenses not requiring appropriation in the Budget year ^c	-	-	-

Administered total	9,727	9,692	(35)
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Departmental expenses:

Departmental appropriation ^b	69,075	88,115	19,040
Expenses not requiring appropriation in the Budget year ^c	8,177	9,627	1,450

Departmental total	77,252	97,742	20,490
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Total expenses for Program 2.1	86,979	107,434	20,455
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Program 2.2: Migration

Departmental expenses:

Departmental appropriation ^b	270,213	263,215	(6,998)
Expenses not requiring appropriation in the Budget year ^c	31,388	36,481	5,093

Departmental total	301,601	299,696	(1,905)
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Total expenses for Program 2.2	301,601	299,696	(1,905)
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Program 2.3: Visas

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	-	-	-
Expenses not requiring appropriation in the Budget year ^c	-	7,093	7,093

Administered total	-	7,093	7,093
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Departmental expenses:

Departmental appropriation ^b	431,262	353,718	(77,544)
Expenses not requiring appropriation in the Budget year ^c	49,235	54,535	5,300

Departmental total	480,497	408,253	(72,244)
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Total expenses for Program 2.3	480,497	415,346	(65,151)
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- a. Budget relates to the estimated actuals for 2018–19 reported in the PBS 2019–20 which incorporates the measures provided in the PAES 2018–19.
- b. Departmental and administered appropriations combine ordinary annual services (Appropriation Acts No. 1 and Act No. 3) and retained revenue receipts under section 74 of the PGPA Act.
- c. Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets and resources received free of charge.

	BUDGET 2018–19 ^a \$'000	ACTUAL EXPENSES 2018–19 \$'000	VARIATIONS 2018–19 \$'000
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Program 2.4: Refugee and Humanitarian Assistance

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	42,711	38,175	(4,536)
Expenses not requiring appropriation in the Budget year ^c	-	-	-
Administered total	42,711	38,175	(4,536)
Departmental expenses:			
Departmental appropriation ^b	114,763	131,084	16,321
Expenses not requiring appropriation in the Budget year ^c	9,393	11,587	2,194
Departmental total	124,156	142,671	18,515
Total expenses for Program 2.4	166,867	180,846	13,979

Outcome 2 Totals by appropriation type

Administered expenses:

Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	52,438	47,867	(4,571)
Expenses not requiring appropriation in the Budget year ^c	-	7,093	7,093
Administered total	52,438	54,960	2,522
Departmental expenses:			
Departmental appropriation ^b	885,313	836,132	(49,181)
Expenses not requiring appropriation in the Budget year ^c	98,193	112,230	14,037
Departmental total	983,506	948,362	(35,144)
Total expenses for Outcome 2	1,035,944	1,003,322	(32,622)
Average staffing level (number)	4,570	4,460	(110)

- a. Budget relates to the estimated actuals for 2018–19 reported in the PBS 2019–20 which incorporates the measures provided in the PAES 2018–19.
- b. Departmental and administered appropriations combine ordinary annual services (Appropriation Acts No. 1 and Act No. 3) and retained revenue receipts under section 74 of the PGPA Act.
- c. Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets and resources received free of charge.

Expenses for Outcome 3 2018–19

OUTCOME 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.	BUDGET 2018–19^a \$'000	ACTUAL EXPENSES 2018–19 \$'000	VARIATIONS 2018–19 \$'000
Program 3.1: Border-Revenue Collection			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	-	-	-
Expenses not requiring appropriation in the Budget year ^c	11,000	19,184	8,184
Administered total	11,000	19,184	8,184
Departmental expenses:			
Departmental appropriation ^b	65,320	68,604	3,284
Expenses not requiring appropriation in the Budget year ^c	6,994	15,825	8,831
Departmental total	72,314	84,429	12,115
Total expenses for Program 3.1	83,314	103,613	20,299
Program 3.2: Trade Facilitation and Industry Engagement			
Departmental expenses:			
Departmental appropriation ^b	56,529	47,027	(9,502)
Expenses not requiring appropriation in the Budget year ^c	4,294	3,848	(446)
Departmental total	60,823	50,875	(9,948)
Total expenses for Program 3.2	60,823	50,875	(9,948)
Outcome 3 Totals by appropriation type			
Administered expenses:			
Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	-	-	-
Expenses not requiring appropriation in the Budget year ^c	11,000	19,184	8,184
Administered total	11,000	19,184	8,184
Departmental expenses:			
Departmental appropriation ^b	121,849	115,631	(6,218)
Expenses not requiring appropriation in the Budget year ^c	11,288	19,673	8,385
Departmental total	133,137	135,304	2,167
Total expenses for Outcome 3	144,137	154,488	10,351
Average staffing level (number)	585	620	35

- a. Budget relates to the estimated actuals for 2018–19 reported in the PBS 2019–20 which incorporates the measures provided in the PAES 2018–19.
- b. Departmental and administered appropriations combine ordinary annual services (Appropriation Acts No. 1 and Act No. 3) and retained revenue receipts under section 74 of the PGPA Act.
- c. Expenses funded through revenue appropriations exclude depreciation and amortisation, writedown and impairment of assets and resources received free of charge.

APPENDIX D: SALARY AND CLASSIFICATION RATES

The tables in this appendix break down salary ranges within each classification as prescribed by the Department's Workplace Determination 2019 and the Department of Immigration and Citizenship Determination 2017–2002—Entry Level Programmes (Advancement on Completion).

Table 21: Classification level and salary ranges for staff, at 30 June 2019

APS CLASSIFICATION	RANGE OF SALARIES
APS Level 1	\$44,116–\$48,884
APS Level 2	\$49,321–\$55,487
APS Level 3	\$56,094–\$64,449
APS Level 4	\$64,508–\$69,580
APS Level 5	\$70,344–\$75,770
APS Level 6	\$76,408–\$90,400
Executive Level 1	\$96,513–\$113,186
Executive Level 2	\$114,357–\$148,816
SES Band 1	\$168,859–\$253,446
SES Band 2/SES Band 3	\$258,578–\$409,071

Table 22: Training classifications and salary ranges for staff, at 30 June 2019

APS CLASSIFICATION	RANGE OF SALARIES
Trainee APS (Technical)	\$44,116–48,844
Graduate APS (APS Level 3)	\$56,094–64,449
Border Force Officer Recruit Trainee Programme (APS Level 2)	\$49,321–\$55,487
ICT Apprenticeship Programme (APS Level 1)	\$44,116–\$48,884
ICT Cadet Programme (APS Level 2)	\$49,321–\$55,487
Indigenous Apprenticeship Programme (APS Level 2)	\$49,321–\$55,487
Indigenous Australian Government Development Programme (APS Level 3)	\$56,094–\$64,449
Marine Unit Engineer Cadet (APS Level 3)	\$56,094–\$64,449

Table 23: Salary and classification rates, Legal Officers

APS CLASSIFICATION	LOCAL TITLE	SALARY POINT	SALARY INCREMENTS FOR STAFF AT 30 JUNE 2019
APS Level 4	Legal Officer	LO APS 4.1	\$68,934
APS Level 5	Legal Officer	LO APS 5.1	\$74,903
APS Level 6	Legal Officer	LO APS 6.1	\$77,294
		LO APS 6.2	\$81,176
		LO APS 6.3	\$90,400
Executive Level 1	Senior Legal Officer	SLO EL 1.1	\$102,507
		SLO EL 1.2	\$111,223
		SLO EL 1.3	\$122,720
Executive Level 2	Principal Legal Officer	PLO EL 2.1	\$132,550
		PLO EL 2.2	\$140,683
		PLO EL 2.3	\$148,816

Table 24: Salary and classification rates, Public Affairs Officers

APS CLASSIFICATION	LOCAL TITLE	SALARY POINT	SALARY INCREMENTS FOR STAFF AT 30 JUNE 2019
APS Level 4	Public Affairs Officer 1	PAO 1 APS 4.1	\$64,508
		PAO 1 APS 4.2	\$69,405
APS Level 5	Public Affairs Officer 1	PAO 1 APS 5.1	\$70,344
		PAO 1 APS 5.2	\$75,770
APS Level 6	Public Affairs Officer 2	PAO 2 APS 6.1	\$79,236
		PAO 2 APS 6.2	\$81,176
		PAO 2 APS 6.3	\$83,660
		PAO 2 APS 6.4	\$91,318
Executive Level 1	Public Affairs Officer 3	PAO 3 EL 1.1	\$108,992
		PAO 3 EL 1.2	\$111,223
		PAO 3 EL 1.3	\$120,469
Executive Level 2	Senior Public Affairs Officer B	SPAO B EL 2.1	\$119,285
		SPAO B EL 2.2	\$129,442
	Senior Public Affairs Officer A	SPAO A EL 2.3	\$125,863
		SPAO A EL 2.4	\$137,339
		SPAO A EL 2.5	\$148,816

Table 25: Salary and classification rates, Medical officers

APS CLASSIFICATION	SALARY POINT	SALARY INCREMENTS FOR STAFF AT 30 JUNE 2019
Medical Officer Class 2	MO 2.1	\$121,243
	MO 2.2	\$132,206
Medical Officer Class 3	MO 3.1	\$135,523
	MO 3.2	\$146,875
Medical Officer Class 4	MO 4.1	\$153,571
	MO 4.2	\$156,467
	MO 4.3	\$168,449

Table 26: Remuneration paid to Key Management Personnel in 2018–19

Remuneration paid to Key Management Personnel (KMP) in 2018–19			Short-term benefits			Post-employment benefits	Other long-term benefits	Termination Benefits	Total
(a)	Name	Position title	Base salary (b) \$	Bonuses \$	Other benefits and allowances (c) \$	Superannuation contributions (d) \$	Long service leave (e) \$	Termination Benefits \$	Remuneration (f)
	Michael Pezullo	Secretary	758,577	-	2,652	102,521	21,233	-	884,984
	Michael Outram	ABF Commissioner	560,622	-	2,652	73,162	16,625	-	653,061
	Marc Ablog (g)	Deputy Secretary	239,824	-	1,830	34,071	6,985	-	282,709
	Maria Fernandez	Deputy Secretary	415,053	-	2,652	75,202	12,145	-	505,052
	Linda Geddes	Deputy Secretary	375,618	-	2,652	63,994	10,817	-	453,081
	Malisa Golightly	Deputy Secretary	348,793	-	2,652	71,533	11,724	-	434,703
	Paul Grigson	Deputy Secretary	367,092	-	2,652	66,845	10,866	-	447,455
		Commonwealth Transnational Serious and Organised Crime Coordinator							
	Karl Kent	Group Manager	363,882	-	2,652	63,307	8,369	-	438,210
	Michael Milford (h)	Deputy Secretary	55,874	-	504	8,037	1,040	-	65,455
	Cheryl-Anne Moy	A/g Deputy Commissioner	391,370	-	2,652	60,310	10,764	-	465,095
	Clive Murray (i)	Deputy Commissioner	51,532	-	477	10,793	1,714	-	64,516
	Mandy Newton	Deputy Secretary	399,272	-	2,866	56,792	11,631	-	470,561
	Rachel Noble	Deputy Secretary	399,873	-	2,652	73,004	11,795	-	487,324
	Justine Saunders (j)	Deputy Commissioner	268,288	-	1,750	40,956	7,664	-	318,658
	Anthony Sheehan (k)	Deputy Secretary	94,151	-	663	15,396	2,768	-	112,978
		National Counter Foreign Interference Coordinator							
	Chris Teal		362,231	-	2,652	56,019	10,505	-	431,407

(a) KMP for the Department have been assessed to be the Secretary, the Commissioner, substantive Deputy Secretaries, substantive Deputy Commissioners, any officer occupying a substantive role at the SES Band 3 level or above, and potentially any individual who reports directly to the Secretary. KMP also include those who have acted in, or occupied, any of the aforementioned roles for a continuous period of three months or more during the 2018–19 financial year.

(b) Base salary includes salary paid and accrued, salary paid while on annual leave, salary paid while on personal leave, annual leave accrued, and higher duties allowances.

(c) Other benefits and allowances include non-monetary benefits such as the provision of a car park.

(d) For individuals in a defined contribution scheme (for example PSSaP and super choice), superannuation includes superannuation contribution amounts. For individuals in a defined benefit scheme (for example PSS and CSS), superannuation includes the relevant Notional Employer Contribution Rate and the Employer Productivity Superannuation Contribution.

(e) Long service leave comprises the amount of leave accrued and taken for the period.

(f) Total remuneration is calculated on an accrual basis in accordance with AASB 119 *Employee Benefits* with the exception of superannuation and non-monetary benefits. This means that there are differences between remuneration determined by the Remuneration Tribunal and the remuneration disclosed in the table.

(g) Commenced KMP role in October 2018.

(h) Qualified as KMP in May 2019.

(i) Includes remuneration while acting in KMP role.

(j) Commenced KMP role in October 2018.

(k) Ceased KMP role in October 2018.

Table 27: Remuneration paid to senior executives in 2018-19

Remuneration paid to senior executives in 2018-19	Number of senior executives (a)	Short-term benefits			Post-employment benefits	Other long-term benefits	Termination Benefits	Total Remuneration
		Average base salary (b)	Average bonuses	Average other benefits and allowances (c)				
Remuneration Band		\$	\$	\$	Average superannuation contributions (d)	Average Long service leave (e)	Average Termination Benefits (f)	Average Total reportable remuneration (g)
\$0 to \$220,000	69	108,393	-	1,823	18,237	3,264	-	131,716
\$220,001 to \$245,000	30	196,402	-	2,847	29,472	5,721	-	234,442
\$245,001 to \$270,000	21	211,965	-	4,885	35,409	6,058	-	258,326
\$270,001 to \$295,000	28	230,431	-	3,193	39,350	6,503	-	279,476
\$295,001 to \$320,000	19	247,101	-	14,005	42,104	6,763	-	309,974
\$320,001 to \$345,000	14	257,261	-	3,176	46,901	7,459	18,431	333,228
\$345,001 to \$370,000	7	294,031	-	2,645	52,262	8,597	-	357,534
\$370,001 to \$395,000	2	317,629	-	7,073	53,774	9,246	-	387,722
\$395,001 to \$420,000	3	222,925	-	129,645	46,179	7,330	-	406,079
\$420,001 to \$445,000	1	357,240	-	3,028	55,483	10,124	-	425,875
\$445,001 to \$470,000	1	198,419	-	209,481	36,549	6,300	-	450,750
\$470,001 to \$495,000	1	210,215	-	233,741	37,767	6,357	-	488,080
\$495,001 to \$520,000	-	-	-	-	-	-	-	-
\$520,001 to \$545,000	2	336,396	-	137,745	53,896	6,085	-	534,122
\$545,001 to \$570,000	1	223,821	-	298,356	38,336	6,265	-	566,778
\$570,001 to \$595,000	-	-	-	-	-	-	-	-
\$595,001 to \$620,000	-	-	-	-	-	-	-	-
\$620,001 to \$645,000	2	223,975	-	359,597	35,534	6,185	-	625,291
\$645,001 to \$670,000	1	206,850	-	402,804	31,703	6,243	-	647,601
\$670,001 to \$695,000	2	259,610	-	207,414	51,123	7,604	155,467	681,218
more than \$800,000	1	247,004	-	504,216	47,648	7,529	-	806,397

- (a) Senior executives comprise any individual who is an official with a classification in Group 9 to 11 of the table in Schedule 1 to the *Public Service Classification Rules 2000* and is not a KMP. It also includes individuals who have acted in a senior executive role for a continuous period of greater than six months.
- (b) Base salary includes salary paid and accrued, salary paid whilst on annual leave, salary paid while on personal leave, annual leave accrued, and higher duties allowances.
- (c) Other benefits and allowances includes overseas living allowances, non-monetary benefits included in the Fringe Benefits Tax (FBT) Return for the year ended 31 March 2019 such as the provision of car parking, accommodation and utilities whilst posted overseas, and associated FBT. Employees posted overseas reside in Commonwealth leased or owned residences at the expense of the Department and the benefit value is not received by the individual as direct remuneration.
- (d) For individuals in a defined contribution scheme (for example PSSaP and super choice), superannuation includes superannuation contribution amounts. For individuals in a defined benefit scheme (for example PSS and CSS), superannuation includes the relevant Notional Employer Contribution Rate and the Employer Productivity Superannuation Contribution.
- (e) Long service leave comprises the amount of leave accrued and taken for the period.
- (f) Termination benefits are payments that may be made in relation to the termination of a senior executive position.
- (g) Total remuneration is calculated on an accrual basis in accordance with AASB 719 *Employee Benefits* with the exception of superannuation and non-monetary benefits.

Table 28: Remuneration paid to other highly paid staff in 2018–19

Remuneration paid to other highly paid staff in 2018–19	Number of Other Highly Paid Staff (a)	Short-term benefits			Post-employment benefits		Other long-term benefits		Termination Benefits	Total Remuneration
		Average base salary (b)	Average bonuses (c)	Average other benefits and allowances (d)	Average superannuation contributions (e)	Average Long service leave (f)	Average Termination Benefits (g)	Average Total reportable remuneration (h)		
Remuneration Band		\$	\$	\$	\$	\$	\$	\$	\$	\$
\$220,001 to \$245,000	35	173,828	643	18,865	28,967	4,671	2,454	229,427		
\$245,001 to \$270,000	27	139,530	156	78,759	23,698	3,805	10,753	256,710		
\$270,001 to \$295,000	13	125,852	-	116,834	23,027	3,481	11,553	280,746		
\$295,001 to \$320,000	21	111,727	142	171,227	16,999	3,163	-	305,256		
\$320,001 to \$345,000	22	101,799	103	207,661	16,325	2,967	-	330,855		
\$345,001 to \$370,000	14	103,158	-	231,860	19,458	3,039	-	357,516		
\$370,001 to \$395,000	20	104,693	-	253,702	21,193	2,997	-	382,585		
\$395,001 to \$420,000	6	111,777	-	273,259	19,765	3,238	-	408,038		
\$420,001 to \$445,000	12	109,519	-	300,994	20,009	3,251	-	433,773		
\$445,001 to \$470,000	13	115,130	-	319,252	21,256	3,489	-	459,127		
\$470,001 to \$495,000	9	97,154	-	363,055	19,319	3,045	-	482,572		
\$495,001 to \$520,000	10	123,825	-	356,563	22,914	3,652	-	506,954		
\$520,001 to \$545,000	5	115,487	-	397,919	20,733	3,510	-	537,650		
\$545,001 to \$570,000	6	128,464	-	407,381	21,911	3,810	-	561,567		
\$570,001 to \$595,000	2	115,766	-	431,499	24,229	3,554	-	575,048		
\$620,001 to \$645,000	2	121,081	-	486,133	22,479	3,593	-	633,285		
\$670,001 to \$695,000	1	142,229	-	517,643	25,788	3,958	-	689,618		
\$720,001 to \$745,000	2	117,526	-	598,821	21,166	3,327	-	740,840		
more than \$825,000	1	150,388	-	665,829	28,234	4,281	-	848,733		

(a) Other highly paid staff include staff who are neither KMP nor senior executives and whose total remuneration for the reporting period exceeds \$220,000

(b) Base salary includes salary paid and accrued, salary paid while on annual leave, salary paid while on personal leave, annual leave accrued, and higher duties allowances.

(c) Bonuses comprise the payments made in relation to the Performance Assessment and Feedback (PAF) System as outlined in the 2011–14 Australian Customs and Border Protection Service Enterprise Agreement that applied to maritime crew until the Workplace Determination was issued in February 2019.

(d) Other benefits and allowances includes overseas living allowances, non-monetary benefits included in the Fringe Benefits Tax (FBT) Return for the year ended 31 March 2019 such as the provision of car parking, accommodation and utilities whilst posted overseas. It also includes associated FBT. Employees posted overseas reside in Commonwealth leased or owned residences at the expense of the Department and the benefit value is not received by the individuals as direct remuneration.

(e) For individuals in a defined contribution scheme (for example PSSap and super choice), superannuation includes superannuation contribution amounts. For individuals in a defined benefit scheme (for example PSS and CSS), superannuation includes the relevant Notional Employer Contribution Rate and the Employer Productivity Superannuation Contribution.

(f) Long service leave comprises the amount of leave accrued and taken for the period.

(g) Termination benefits are payments that may be made in relation to the termination of a position.

(h) Total remuneration is calculated on an accrual basis in accordance with AASB 119 Employee Benefits with the exception of superannuation and non-monetary benefits.

APPENDIX E: LEGAL SERVICES EXPENDITURE

Table 29 outlines the Department’s legal services expenditure for 2018–19, in compliance with Paragraph 11.1(ba) of the *Legal Services Directions 2017*.

Table 29: Legal services expenditure

DESCRIPTION	2018–19 COST (EXCLUDING GST)
Total legal services expenditure	\$111,048,202
Total external legal services expenditure	\$72,252,105
External expenditure on solicitors ⁶³	\$62,424,924
External expenditure on counsel ⁶⁴	\$7,538,924
• Number of matters in which male counsel briefed—1,219	
• Estimated value of briefs to male counsel	\$6,060,462
• Number of matters in which female counsel briefed—345	
• Estimated value of briefs to female counsel	\$ 1,478,462
Disbursements on external legal services	\$2,288,257
Total internal legal services expenditure	\$38,796,097
• Employees	\$32,766,415
• Overheads (for example, office stores and stationery, training and travel, property, and information technology related costs) ⁶⁵	\$6,029,682

63. As the Department has entered into a fixed fee arrangement for the payment of some litigation matters, this figure will also include some expenditure on counsel and disbursements that cannot be separately identified.

64. Statistics on counsel briefs relate to finalised litigation matters only.

65. Overheads—indirect property and information technology costs are included. This amount is reported in accordance with *Office of Legal Services Coordination Guidance Note 8*.

APPENDIX F: ADMINISTRATION OF THE OFFICE OF THE MIGRATION AGENTS REGISTRATION AUTHORITY

Overview of the Office of the Migration Agents Registration Authority

The Office of the Migration Agents Registration Authority (OMARA) regulates the activities of the Australian migration profession. This provides consumers of migration advice with appropriate protection and assurance.

In accordance with Section 322 of the *Migration Act 1958*, OMARA is required to submit a report to the Parliament on the administration of Part 3 of the Migration Act during the financial year.

Information about migration agents

Overview of the profession

On 30 June 2019, 7252 people were registered in Australia as registered migration agents. This compares with 7402 on 30 June 2018 and represents a two per cent decrease.

Profile of registered migration agents

- 48 per cent female and 52 per cent male
- average age of agents is 45 years
- 2192 (30 per cent) of the total number of registered migration agents hold a legal practising certificate
- 73 per cent have never had a complaint made against them
- 40 per cent report operating in a business as a sole trader

Table 30: Experience of registered migration agents, at 30 June 2019

EXPERIENCE (YEARS)	AGENTS	PER CENT (OF TOTAL AGENTS)
< 1	648	9%
1–3	2,277	31%
4–6	1,192	17%
7–9	970	13%
> 10	2,165	30%
Total	7,252	100%

Registration refusals and withdrawals

During the 2018–19, 13 registration applications were refused and 40 were withdrawn. Of these:

- Six initial applications were refused because the applicants were unable to meet registration requirements—four failed to meet English language requirements, one failed to meet residential status, and one failed to meet fitness and propriety considerations.
- Seven repeat applications were refused—four were refused as a result of the agent’s registration cancellation, two because the agent failed to meet continuing professional development requirements and one based on fitness and propriety considerations.
- Forty applications were withdrawn in anticipation of the application being refused, with the majority withdrawn because the applicant did not meet the English language requirement.

Complaint processing

The OMARA received 754 complaints during 2018–19 and finalised 704 complaints. Merit and jurisdiction were established for 270 complaints. Of these, 191 were finalised with a finding that the agent had breached the Code of Conduct. A total of 79 remain under consideration.

Sanction outcomes

The OMARA sanctioned 29 registered migration agents, the subject of 113 complaints. Of those sanctioned, 12 registered migration agents had their registration cancelled, 11 had their registration suspended and one was cautioned. The OMARA also barred five former agents from being registered for five years.

OMARA review

The OMARA continues to implement recommendations from the independent review conducted by Dr Christopher N Kendall in 2014.

This includes introducing an independent Capstone assessment. This was implemented as the prescribed exam for registration as a migration agent in July 2018. The Capstone assessment is delivered by the College of Law Limited, the successful candidate in a competitive selection process. There were four intakes of the Capstone assessment in 2018–19.

Two outstanding recommendations are yet to be implemented:

- **Removal of lawyers from the regulatory scheme**

Legislation to remove certain Australian Legal Practitioners from the OMARA regulatory scheme did not pass the Senate before the end of the 45th Australian Parliament. The legislation will require reintroduction to Parliament.

- **Review of the Code of Conduct for Registered Migration Agents (the Code)**

The OMARA has conducted its review into the Code and is finalising consultation in relation to proposed draft amendments. A final round of consultation will be held with external stakeholders before the review is forwarded to the Office of Parliamentary Council for legislative drafting and implementation.

APPENDIX G: INFORMATION PUBLICATION SCHEME

- Australian Government agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information on their websites as part of an Information Publication Scheme. This includes the agency's structure, functions, appointments, annual reports, consultation arrangements, and details of the agency's freedom of information officer. Information routinely released through freedom of information requests and provided to Parliament must also be published online.
- The Information Publication Scheme is intended to form the basis for a more open and transparent culture across government, with agencies encouraged to take a proactive approach to publishing the information they hold, and to consider publishing information over and above what they are obliged to publish.
- The Department, in accordance with the requirements of the FOI Act, publishes a number of freedom-of-information decisions in accordance with Part III of the FOI Act on our FOI Disclosure Log (with some exceptions).
- In accordance with requirements set out in Subsection 9(1) of the FOI Act, the Department completed a review of its operation of the Information Publication Scheme. This review was completed in conjunction with the Information Commissioner.
- Information on the Department's Information Publication Scheme is available on our website.⁶⁶

66. www.homeaffairs.gov.au/access-and-accountability/freedom-of-information/information-publication-scheme

APPENDIX H: AUSCHECK BRANCH REPORTING

AusCheck responds to ad hoc requests for information under paragraphs 14(2)(b)(iii) and 14(2)(b)(iiia) of the *AusCheck Act 2007*.

During 2018–19, AusCheck received ten requests for access to information stored in the AusCheck database for national security and law enforcement purposes. Requests were received from the Australian Federal Police (seven requests) and the Department of Home Affairs, including the Australian Border Force (three requests).

PART 7

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ABBREVIATIONS AND ACRONYMS

A	
ABF	Australian Border Force
ABFC	Australian Border Force Cutter
ADF	Australian Defence Force
AFP	Australian Federal Police
AHRC	Australian Human Rights Commission
ANAO	Australian National Audit Office
APEC	Asia-Pacific Economic Cooperation
APM	Australian Police Medal
APS	Australian Public Service
APSC	Australian Public Service Commission
ATO	Australian Taxation Office
ATT	Australian Trusted Trader
Austrade	Australian Trade and Investment Commission
C	
CPRs	Commonwealth Procurement Rules
CSAM	Continuous Survey of Australia's Migrants
CSP	Community Support Program
D	
DFAT	Department of Foreign Affairs and Trade
E	
EA	Enterprise Agreement
EC	Executive Committee
EEGO	Energy Efficiency in Government Operations policy
EL	Executive Level
EOC	Enterprise Operations Committee
F	
FOI	Freedom of Information
FWC	Fair Work Commission
I	
ICAO	International Civil Aviation Organization
ICT	Information and communications technology
IMA	Illegal Maritime Arrival

L	
LGBTI	Lesbian, gay, bisexual, transgender or intersex
M	
MBC	Maritime Border Command
MCSI	Maritime Security Identification Cards
N	
NAIDOC	National Aborigines and Islanders Day Observance Committee
O	
OAIC	Office of the Australian Information Commissioner
OMARA	Office of the Migration Agents Registration Authority
P	
PBS	Portfolio Budget Statements
PGPA Act	Public Governance, Performance and Accountability Act 2013
PNG	Papua New Guinea
PSM	Public Service Medal
S	
SES	Senior Executive Service
SPM	Strategic performance measure
T	
TIS	Translating and Interpreting Service
TSOC	Transnational, serious and organised crime
W	
WCO	World Customs Organization
WHS	Work health and safety

GLOSSARY

TERM	DEFINITION
A	
APEC (Asia-Pacific Economic Cooperation) Business Travel Card	Allows business travellers who are citizens of APEC member countries faster and easier entry to these countries.
APS Values	Articulate the parliament's expectations of public servants in terms of performance and standards of behaviour.
APSC Indigenous Mentoring Program	A program run by the APSC to further develop Indigenous APS and Commonwealth employees.
Assisted voluntary return	A service delivered in partnership with the International Organization for Migration to provide immigration advice, counselling and financial support for clients wishing to return home but who require some support to do so, thus avoiding the need to detain and enforce removal.
Asylum seeker	Person claiming protection. As a party to the 1951 Convention Relating to the Status of Refugees and its 1967 Protocol, Australia is committed to providing protection consistent with the obligations set out in the convention and other relevant international treaties to which Australia is a party.
<i>Australian Human Rights Commission Act 1986</i>	The Act that establishes the Australian Human Rights Commission to ensure compliance with international covenants, declarations or other instruments pertaining to human rights to which Australia is a signatory.
AusTender	The Australian Government's tendering system.
Australian Cyber Security Centre (ACSC)	The Australian Cyber Security Centre is the Australian Government's lead on national cyber security. It brings together cyber-security capabilities from across the Australian Government to improve the cyber resilience of the Australian community and support the economic and social prosperity of Australia in the digital age.
Australian Industry Participation plans	These plan requirements are applied to: <ul style="list-style-type: none"> • major public and private projects with capital expenditure of \$500 million or more • Australian Government procurements of \$20 million or more • Australian Government grants of \$20 million or more • Australian Government payments of \$20 million or more to state and territory governments for large infrastructure projects
Australia–New Zealand Counter-Terrorism Committee	In September 2012, the Australian Government and state and territory governments entered into a formal agreement to establish New Zealand as a member of the renamed Australia–New Zealand Counter-Terrorism Committee (ANZCTC). The change was to ensure the closest possible coordination and cooperation on counter-terrorism matters.
<i>Australia's Strategy for Protecting Crowded Places from Terrorism</i>	The objective of this strategy is to protect the lives of people working in, using, and visiting crowded places by making these places more resilient to terrorism. Australian governments work with the private sector to protect crowded places. These partnerships give owners and operators access to better threat and protective security information. By accessing this information, owners and operators will be in a better position to protect their crowded places against terrorism.
Australian Trusted Trader	A voluntary trade facilitation initiative open to all eligible Australian businesses active in the international trade supply chain.

B	
Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime	This multilateral forum raises regional awareness of people smuggling, trafficking in people and related transnational crime.
Border continuum	The Department's approach which views the Australian border as a continuum that includes its overseas, maritime, physical and domestic dimensions.
C	
Capability Lifecycle Management Model	An enterprise-level methodology to effectively manage the seven distinct phases of the capability lifecycle. Includes: strategy; planning; approval; delivery and acquisition; operation; sustainment; and disposal of capability.
<i>Channel Strategy 2017–20</i>	This strategy was developed after extensive consultation across the Department. It provides the enterprise-wide approach to the Department's channels. It sets a vision for how the Department will develop seamless interaction across its four client-facing channels.
Child Protection Panel	Provides independent advice on issues pertaining to the wellbeing and protection of children in immigration detention and in regional processing centres.
Child safeguarding framework	Outlines the principles, policies and procedures for the Department's staff and contracted service providers to safeguard the children who receive its services. The development of this framework was a focus of the independent Child Protection Panel.
Cocaine	Addictive illicit drug derived from coca or prepared synthetically.
Comcare	The statutory authority that administers the Australian Government's workers compensation scheme.
<i>Commonwealth Fraud Control Policy</i>	Supports accountable authorities of non-corporate Commonwealth entities to effectively discharge their responsibilities under the Public Governance, Performance and Accountability Act 2013 and Section 10 of the Public Governance, Performance and Accountability Rule 2014.
Commonwealth Grant Rules and Guidelines	The Australian Government grants policy framework applies to all non-corporate Commonwealth entities subject to the Public Governance, Performance and Accountability Act 2013.
Community Support Program	From 1 July 2017, the establishment of 1,000 places by which communities and businesses can sponsor humanitarian visa applicants and support new arrivals.
Comptroller-General of Customs	The officer responsible for enforcing customs law and the collection of border-related revenue.
Corporate plan	The corporate plan of an entity is the primary planning document for that entity and must address: introduction; purpose; environment; performance; capability and risk oversight; management of the entity.
<i>Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014</i>	An Act to amend law relating to counter-terrorism and other matters, and for related purposes.
Cyber-resilience	Cyber resilience refers to an entity's ability to continuously deliver the intended outcome despite adverse cyber events.
D	
Digital transformation agenda	The digital transformation agenda helps the Australian Government promote digital transformation and achieve its vision for government services.
Disability	A circumstance recognised under the <i>Disability Discrimination Act 1992</i> , which aims to eliminate, as far as possible, discrimination against people on the ground of disability. The Act aims to ensure, as far as practicable, that people with disabilities have the same rights to equality before the law as the rest of the community, and to promote recognition and acceptance of that principle in the community.
Displaced populations	Groups of people who leave their homes, usually because of a natural, technological or deliberate event, such as an earthquake, flood, threat or conflict.

E	
<i>Energy Efficiency in Government Operations Policy</i>	Policy that aims to reduce the energy consumption of Australian Government operations, with particular emphasis on building energy efficiency.
Environmental management system	A structured system or management tool designed to help an organisation reduce its negative impacts on the environment and improve its environmental performance.
<i>Environment Protection and Biodiversity Conservation Act 1999</i>	The Australian Government's central piece of environmental legislation, providing a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places defined in the Act as matters of national environmental significance.
Examination	Examination of cargo by an ABF officer.
F	
Family migration program	One of the main components of Australia's Migration Program. It has four main categories—partner, child, parent and other family visa categories.
Fraud and Corruption Control Plan	The Department's plan for managing fraud and corruption.
<i>Freedom of Information Act 1982</i>	An Act that gives members of the public right of access to official documents of the Australian Government and its agencies.
G	
GrantConnect	Provides centralised publication of forecast and current Australian Government grant opportunities and grants awarded.
Green lease schedule	A formal commitment to energy efficiency developed by the Department of Environment and Energy to reduce energy consumption by Australia Government operations.
H	
Harmony Day	A celebration of Australia's cultural diversity, held yearly on 21 March. It coincides with the United Nations International Day for the Elimination of Racial Discrimination.
Humanitarian Program	Australia's Humanitarian Program comprises offshore resettlement and onshore protection components.
I	
Indigenous Apprenticeships Program	A pathway for Aboriginal and Torres Strait Islander peoples to start their career in the Australian Public Service.
Illegal Maritime Arrival	'Illegal' refers to the mode of entry of persons who enter Australia by boat without a valid visa. Asylum seekers and migrants who are smuggled to Australia may breach border controls and domestic laws in entering and seeking protection in Australia. The <i>Migration Act 1958</i> refers to 'unauthorised arrivals' but in this annual report the term used is 'illegal maritime arrivals'.
ImmiAccount	Single entry point for individuals, registered migration agents, service delivery partners, business and stakeholders to access the Department's online services.
ImmiCard	An official commencement of identity document that can be used as an alternative to a passport for people who cannot use, or do not have, and cannot obtain one.
Industry Summit	Annual forum hosted by the Department where industry and the Department can discuss strategic travel, trade and migration issues.
Inspection	May include use of non-intrusive examination through X-ray technology (static or mobile), trace particle detection, detector dogs or physical examination of cargo.
International Capacity Building Program	A scheme to develop and strengthen the skills, abilities, processes and resources of international organisations and communities.

International Day of People with Disability	A United Nations-sanctioned event that aims to increase public awareness, understanding and acceptance of people with disabilities and to celebrate their achievements and contributions.
International Women's Day	A commemoration held on March 8 each year.
Intervention	Processes to prevent the import or export of prohibited items and to control the movement of restricted items.
K	
Key performance indicator	Quantitative or qualitative variable used to chart progress and measure actual results as compared with expected results.
L	
<i>Leadership Strategic Plan 2016–2020</i>	Articulates the Department's leadership philosophy and identifies the leadership desired. This strategic plan demonstrates the department's commitment to the continuous development of its senior leaders and is critical to achieving its mission and vision. It draws its core leadership principles from the APS Values, APS work level standards, the APS Integrated Leadership System and the Department's values and behaviours.
Legacy caseload	The Department's term to describe the cohort of Illegal Maritime Arrivals
Legal Services Directions 2017	A legislative instrument made under the <i>Judiciary Act 1903</i> . It prescribes the way in which legal services are provided to the Department, internally and externally.
<i>LGBTI Action Plan</i>	The Department's Lesbian, Gay, Bisexual, Transgender and Intersex action plan.
LGBTI Network	A departmental network that supports a safe and supportive workplace for all lesbian, gay, bisexual, transgender and intersex (LGBTI) people.
M	
Megajoules	A unit of measurement equal to one million joules, or approximately the kinetic energy of a one megagram (tonne) vehicle moving at 160 km/h.
<i>Maritime Powers Act 2012</i>	An Act that establishes a framework for the exercise of maritime enforcement powers.
Migration Act 1958	The principal legislation regulating travel to Australia and the stay of non-citizens.
Migration Program planning levels	The Migration Program is designed to achieve a range of economic and social outcomes. The number of places available through the programme is set annually in response to Australia's needs.
Migration Program	The annual planned permanent intake determined by the Australian Government in a budgetary context which governs the number of visas granted for permanent entry from offshore and for permanent resident status onshore. It does not include New Zealand citizens intending to settle permanently in Australia.
N	
NAIDOC Week	NAIDOC (National Aboriginal and Islander Day Observance Committee) Week is a celebration of the history, culture and achievements of Aboriginal and Torres Strait Islander peoples.
National Committee on Trade Facilitation	A forum for discussing matters affecting Australian industry stakeholders in international trade.
National Counter Foreign Interference Coordinator	Leads the development and implementation of a whole-of-government strategy and is a focal point for engaging with diaspora communities and sectors vulnerable to foreign interference.
National Security Hotline	A portal to report suspicious activity, administered by the Attorney General's Department.

O	
<i>Ocean Shield</i>	The largest ship in the ABF fleet. It patrols in northern waters and the Southern Ocean.
Office of the Migration Agents Registration Authority	An office within the Department of Home Affairs that regulates the migration advice industry to provide appropriate protection and assurance to people using migration advice services.
Online lodgement	A method which allows applications to be completed and submitted on the internet.
Onshore and offshore	Unless otherwise indicated, 'onshore' and 'offshore' refer to the location of a person at the time they apply for a visa or visa grant.
Operation Arête	Operation Arête is an enduring operation that builds upon on our current work to strengthen our integrity framework and embed a positive integrity culture within the Department.
Operation Sovereign Borders	Operation Sovereign Borders is a military-led, whole-of-government border security operation to combat maritime people smuggling.
P	
Passenger name records	Information on people taking or proposing to take international passenger flights into and out of Australia.
Patrols	Overt and covert activity by Counter-Terrorism Unit officers in airport precincts to detect, deter and disrupt terrorist-related activity.
Portfolio Budget Statements	Documents that inform parliamentarians and the public of the proposed allocation of resources to achieve government outcomes.
Power usage effectiveness	A measure of how efficiently a computer data centre uses energy; specifically, how much energy is used by the computing equipment (in contrast to cooling and other overheads).
<i>Public Governance, Performance and Accountability Act 2013 (PGPA Act)</i>	An Act about the governance, performance and accountability of, and the use and management of public resources by the Commonwealth, Commonwealth entities and Commonwealth companies, and for related purposes.
<i>Public Service Act 1999</i>	The principal Act governing the operation of the Australian Public Service.
R	
Reconciliation Action Plan	Provides organisations with a structured approach to advance reconciliation. The Department's <i>Reconciliation Action Plan 2018–2020</i> is under development.
Refugee and Humanitarian Assistance Program	A program designed to ensure that Australia can respond effectively to global humanitarian needs and have support services available to meet the specific needs of people entering under the program.
Refugee	A person recognised as needing protection under the 1951 <i>United Nations Convention Relating to the Status of Refugees</i> .
Regional processing country	A country designated by the minister under subsection 198AB(1) of the <i>Migration Act 1958</i> as a regional processing country.
S	
Safe Haven Enterprise (subclass 790) visa (SHEV)	A five-year temporary protection visa granted to those who arrive unlawfully in Australia and are found to engage Australia's protection obligations. In some instances it can lead to a permanent visa pathway (not a permanent Protection visa).
<i>Security of Critical Infrastructure Act 2018</i>	This Act was passed to create a framework for managing critical infrastructure and for related purposes.
Skill stream	Categories of the Migration Program where core eligibility criteria are based on the applicant's employability or capacity to invest and/or do business in Australia. Accompanying immediate family members of principal applicants are also counted as part of the Skill stream.
SmartGate	The Department's Automated border processing system.

Special Eligibility stream	A subset of the Migration Program that provides for the migration of former residents of Australia.
Status Resolution Steering Committee	A committee primarily responsible for forward-looking, strategically aligned, consistent and enhanced coordination of operations to protect the community and resolve status resolution matters.
Statutory	Of, relating to, or of the nature of a statute (an enactment made by a legislature and expressed in a formal document). For example, a statutory process would be a process prescribed or authorised by statute.
Strategic performance measures	Measures that form part of the Department's performance framework. Each represents one of the Department's purposes in a measureable and detailed form.
Student	A holder of a student visa (subclasses 570–576).
T	
Tariff classification	Goods imported into Australia require classification under the Customs Tariff Act 1995.
<i>Telecommunications and Other Legislation Amendment Act 2017</i>	The purpose of the new legislation is to enhance the security of critical telecommunications infrastructure. This will require telecommunications companies to take into account a range of security risk factors when making investment decisions to protect broader national security interests (that is, espionage, sabotage and foreign interference).
Temporary Protection (subclass 785) visa	A temporary protection visa offered to those who have arrived in Australia illegally.
Temporary visas or temporary entry visas	Visas that provide for the temporary entry of people from overseas for purposes that benefit Australia, such as tourism, study, work or other activities. From 2014–15 this definition was expanded to include Special Category (subclass 444) visas provided to New Zealanders when they enter Australia.
Temporary Skill Shortage (TSS) (subclass 482) visa	Replaced to Temporary Work (Skilled) (subclass 457) visa to help businesses meet genuine skill shortages.
Temporary Work (Skilled) (subclass 457) visa	A repealed visa that allowed a skilled worker travel to Australia to work in their nominated occupation for their approved sponsor for up to four years. Replaced by the TSS visa.
TIS National	Provides interpreting services in more than 160 languages and dialects for people who do not speak English and for organisations that need to communicate with non-English-speaking clients.
TIS Online	An online self-help service that provides better access for non-English speakers, reduces the cost of providing key government services, and adopts digital-first strategies to serve real-time community needs.
Transferee	An IMA transferred to an offshore processing centre in an offshore regional processing country.
Transport Security Guidance Centre	A centre established in early 2017. It has since been acting as the main avenue of communication between transport security stakeholders and the Office of Transport Security.
V	
Visa entitlement verification online	A departmental online service to check visa details and decisions.
W	
<i>Work Health and Safety Act 2011</i>	An Act to secure the health and safety of persons at work.

PGPA RULE LIST OF REQUIREMENTS

PGPA RULE REFERENCE	DESCRIPTION	REQUIREMENT	PAGE
17AD(G)	LETTER OF TRANSMITTAL		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with Section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	vii
17AD (H)	AIDS TO ACCESS		
17AJ(a)	Table of contents.	Mandatory	x–xi
17AJ(b)	Alphabetical index.	Mandatory	348
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	236–243
17AJ(d)	List of requirements.	Mandatory	244–247
17AJ(e)	Details of contact officer.	Mandatory	ii
17AJ(f)	Entity's website address.	Mandatory	li
17AJ(g)	Electronic address of report.	Mandatory	ii
17AD(A)	REVIEW BY THE ACCOUNTABLE AUTHORITY		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	9–15
17AD(B)	OVERVIEW OF THE ENTITY		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	3, 16
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	5, 18
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	31
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	31
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	6
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	6
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	6
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments – Mandatory	iii
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory.	n/a

17AD(C) REPORT ON THE PERFORMANCE OF THE ENTITY			
Annual performance statements			
17AD(c) (i): 16F	Annual performance statements in accordance with Paragraph 39(1)(b) of the Act and Section 16F of the Rule.	Mandatory	29–81 (Whole Part 2)
17AD(c)(ii) Report on financial performance			
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	82
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	83, 213–221
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	81–83, 213–221
17AD(D) MANAGEMENT AND ACCOUNTABILITY			
Corporate governance			
17AG(2)(a)	Information on compliance with Section 10 (fraud systems).	Mandatory	viii
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	viii
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	viii
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	viii
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	156–161
17AG(2)(d) –(e)	A statement of significant issues reported to Minister under Paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory	165
External scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	166–170
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	166–167
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under Section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	168–173
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	165

Management of human resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	185–188
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including: <ul style="list-style-type: none"> • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as Indigenous. 	Mandatory	181–184
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under Subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	191–194
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in Paragraph 17AG(4)(c).	Mandatory	191–193
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	222–224
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	194
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	194
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	n/a
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	n/a
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, Mandatory	n/a
Assets management			
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, Mandatory	210–202
Purchasing			
17AG(6)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	198–201
Consultants			
17AG(7)(a)	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	199–200
17AG(7)(b)	A statement that "During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]."	Mandatory	200
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	199
17AG(7)(d)	A statement that "Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."	Mandatory	200

Australian National Audit Office access clauses			
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	n/a
Exempt contracts			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	n/a
Small business			
17AG(10)(a)	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory	199
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	199
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that "[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."	Mandatory	199
Financial statements			
17AD(e)	Inclusion of the annual financial statements in accordance with Subsection 43(4) of the Act.	Mandatory	85–154
Executive remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2 3 of the Rule.	Mandatory	191–193, 225–227
17AD(F) OTHER MANDATORY INFORMATION			
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that "During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."	If applicable, Mandatory	200
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	n/a
17AH(1)(b)	A statement that "Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity's website]."	If applicable, Mandatory	202
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	189–190
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	232
17AH(1)(e)	Correction of material errors in previous annual report.	If applicable, Mandatory	211–212
17AH(2)	Information required by other legislation.	Mandatory	195–197, 229–231, 233

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