



**The Hon Dr Anne Aly MP**  
Minister for Small Business  
Minister for International Development  
Minister for Multicultural Affairs

24 MAR 2026

Ref No: GR26-000001

Mr Josh Burns  
Chair  
Joint Committee of Public Accounts and Audit  
Parliament House  
CANBERRA ACT 2600

Dear Chair

I write regarding Joint Committee of Public Accounts and Audit Report 511: Inquiry into the contract management frameworks operated by Commonwealth entities

Please find enclosed an Executive Minute with the Department of Home Affairs' response to recommendation 5.

I trust that you find this document comprehensive in response to the recommendation.

Yours sincerely

The Hon Dr Anne Aly MP |

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**EXECUTIVE MINUTE**

on

**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT  
REPORT 511**

**Inquiry into contract management frameworks operated by Commonwealth entities**

**General comments**

The Department welcomes the opportunity to provide the Committee with a further update on progress in implementing the ANAO's recommendations from the audit on the administration of the Adult Migrant English Program (AMEP) and new contract arrangements.

Recommendation 5: The Committee recommends that the Department of Home Affairs reports back to the Committee at six months and again at 12 months from the date of this report on:

- its progress in implementing the 10 recommendations of the audit
- the progress and outcomes of the upcoming tender process for the new Adult Migrant English Program contracts.

The Department reports that 7 of the 10 audit recommendations have been progressed to closure.

The overall aim of the recommendations was to strengthen the contract management practices of the AMEP. As part of responding to the recommendations, the Department has:

- Updated the Master Contract Management Tracking Register to record the details of all Deeds of Variation to the AMEP contracts
- Updated the AMEP Contract Management Plan to include instructions on decision-making records
- Strengthened governance arrangements for the Innovative Projects
- Developed a Probity Plan for current contract management and used that to brief all current departmental officers on probity requirements
- Prepared transition-in and transition-out plans in preparation of new contract arrangements
- Refined its approach to determining and targeting quality assurance activities, and
- Analysed complaints received from AMEP clients and refined processes to use complaints data to inform improvements to service delivery.

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The remaining 3 recommendations are related to improving the monitoring of performance of AMEP general service providers and the quality assurance provider. A new performance management framework had been developed for the new AMEP business model, however with the implementation of a new business model being delayed (see below), the Department is now considering what additional performance monitoring can be introduced within the existing AMEP contract arrangements.

An extension has been requested for the implementation of these remaining recommendations.

In regard to the Committee's request for an update on the tender process for the new AMEP contracts, on 18 December 2025, the Department formally advised tenderers that it was exercising its right to terminate the Request for Tender (RFT) processes for the AMEP General Services (HOMEAFFAIRS/2165/RFT), Quality Assurance (HOMEAFFAIRS/2166/RFT) and Academy (HOMEAFFAIRS/2167/RFT). These processes were terminated on public interest grounds, as the new AMEP business model is unable to be delivered within the existing funding allocation and a value for money determination was not able to be made. This is due to:

- tendered pricing estimates received from the market for the AMEP General Services procurement being significantly higher than the Department's approved funding allocation, and
- unprecedented program demand over recent years, which has amplified the funding pressures.

The Department has been working closely with the Australian Government to resolve the funding issues; however, the options being progressed will require further consideration over several months and are likely to result in material changes to the RFTs. The lack of a viable funding pathway represents new information that significantly impacts the objectives of the AMEP procurements, as the program and policy goals cannot be achieved at an acceptable cost.

The Australian Government has approved delaying the implementation of a new AMEP business model, to provide sufficient time to consider options to ensure the sustainability of the AMEP and continued delivery of the program.

To ensure the continued provision of AMEP services beyond 31 December 2025, the Department has extended current contract arrangements with existing providers for 12 months, to 31 December 2026.

## **Response to the recommendations**

### **ANAO Recommendation 1**

To meet its record keeping obligations and ensure appropriate performance management of contracts, the Department of Home Affairs develop a complete record of all contract variations, including those variations agreed through correspondence, together with a master version of the contracts that incorporates all variations.

The Department has implemented this recommendation.

The ANAO audit identified several variations to the AMEP contract that had been made by correspondence (prior to AMEP returning to the Department). The Department has updated the contract variation register, to ensure that all variations, including those identified prior to machinery of government changes have been recorded. Future variations will be registered as they arise during the life of the contracts.

This Recommendation has been endorsed for closure by the Chief Audit Executive.

### **ANAO Recommendation 2**

When considering potential contract variations for the Adult Migrant English Program, the Department of Home Affairs make a decision-making record that addresses whether the proposed changes represent value for money, including by reference to the value for money assessment that underpinned the procurement decision-making prior to the contract being awarded.

The Department has implemented this recommendation.

The Department has included instructions in the AMEP Contract Management Plan on how to set out the decision-making record of the delegate, including all considerations and how value for money is achieved when assessing potential contract variations. The AMEP Contract Management Plan is designed to support contract management and governance practice to enable the successful delivery of the AMEP.

This Recommendation has been endorsed for closure by the Chief Audit Executive.

### **ANAO Recommendation 3**

The Department of Home Affairs introduce stronger governance arrangements over the process by which it engages service providers under the Adult Migrant English Program to identify areas that could benefit from adaptation of new ideas and innovative service delivery to enhance client outcomes including opportunities to offer these opportunities to open competition. (Page 35)

The Department has implemented this recommendation.

The Department has strengthened the governance arrangements for Innovative Projects in the current AMEP contracts. A detailed complex procurement plan was prepared for the third round of AMEP Innovative Projects for 2024-25 and two simple procurement plans developed for additional policy projects.

The 2023-24 round of Innovative Projects addressed many of the issues raised by the ANAO in its report and this approach formed the basis for the 2024-25 round under the current Agreement

This Recommendation has been endorsed for closure by the Chief Audit Executive.

### **ANAO Recommendation 4**

The Department of Home Affairs develop a probity plan to govern the management of contracts for the Adult Migrant English Program.

The Department has implemented this recommendation.

While a probity plan had been developed for the new AMEP contracts, the ANAO identified that there was no existing probity plan for the current contracts.

In response to the recommendation, the Department developed and implemented a Probity Plan for the management of the existing contracts for the AMEP, consistent with the Department's Contract Management Framework and the whole of department procedural instruction covering management of conflicts of interest.

All departmental officers involved in the delivery of the current contracts were briefed on probity matters and signed Confidentiality and Conflict of Interest declarations.

This Recommendation has been endorsed for closure by the Chief Audit Executive.

### **ANAO Recommendation 5**

The Department of Home Affairs improve its transition planning for the Adult Migrant English Program by:

- finalising the transition out plan for the current contracts and, for future contracts, preparing the transition out plan early in the new contract period; and
- aligning the development of the transition in plan for the replacement contracts with the preparation of the approach to market documentation.

The Department has implemented this recommendation.

The Department has finalised the drafting and approval of the Transition Out Project Plan for current AMEP contracts in accordance with the Department's established Contract Management Framework.

All current AMEP service providers have submitted their transition-out plans to the Department. The Approach to Market (ATM) documentation for new contracts included a requirement for interested parties to provide a draft Transition-In plan (including detailed project timeline) as part of their tender response (and this will remain a requirement in any future AMEP ATM documentation).

This Recommendation has been endorsed for closure by the Chief Audit Executive.

### **ANAO Recommendation 6**

The Department of Home Affairs establish a comprehensive suite of performance indicators and targets in the service provider contracts for the Adult Migrant English Program, require that service providers report performance against the indicators and targets and take appropriate contract management action where performance is below requirements.

This recommendation was intended to be implemented with the commencement of the new AMEP business model and contracts.

The Department is considering how best to address this recommendation given the delay of the implementation of a new AMEP business model. An extension for the closure date for this recommendation has been sought.

### **ANAO Recommendation 7**

The Department of Home Affairs analyse and review complaints data from the general service providers for the Adult Migrant English Program to inform and improve service delivery to students.

The Department has implemented this recommendation.

The Department conducted an analysis of complaints data from the AMEP general service providers, finding no systemic program issues. This analysis will be undertaken annually.

The Department has submitted evidence to support the closure of this recommendation and is awaiting a formal outcome from the Chief Audit Executive.

### **ANAO Recommendation 8**

The Department of Home Affairs strengthen the contractual performance management framework for the provision of quality assurance services for the Adult Migrant English Program.

This recommendation has been partly implemented. The Department has been working closely with the QA provider to strengthen the quality assurance activities. This includes a new approach to determining and targeting quality assurance activities, a detailed Quality Assurance Annual Plan and an increase in the number of quality activities undertaken by the QA provider.

The Department is considering how best to fully address this recommendation given the delay of the implementation of a new AMEP business model. An extension for the closure date for this recommendation has been sought.

### **ANAO Recommendation 9**

The Department of Home Affairs undertake a systematic, documented, evidence-based approach to determining and targeting quality assurance activities based on general service provider performance and other risk information known to the Department.

This recommendation has been implemented.

The Department has refined its approach to determining and targeting quality assurance activities, by undertaking a more comprehensive individual risk analysis of general service providers against the following items:

- length of time contracted in the program
- performance against KPIs and other contractual obligations
- governance arrangements with the service provider organisation, and
- strength of stakeholder relationships.

In addition, the Department has increased the number of quality activities undertaken by the QA provider, with 1309 client file verifications and 44 onsite assessment visits undertaken in 2024-25. For the period 1 July 2024 - 31 December 2025, the QA provider undertook 1309 client file verifications, 150 Settlement Language Pathways to Employment and Training (SLPET) file verifications and 44 onsite assessment visits.

This Recommendation has been endorsed for closure by the Chief Audit Executive.

**ANAO Recommendation 10**

The Department of Home Affairs give greater emphasis to monitoring the quality of services being delivered to students by the contracted general service providers.

This recommendation was intended to be implemented with the commencement of the new AMEP business model and contracts.

The Department is considering how best to address this recommendation given the delay of the implementation of a new AMEP business model. An extension for the closure date for this recommendation has been sought.

*Signed by Michael Willard  
Accountable Authority of Department*