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

Ref No: GR25-000007

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

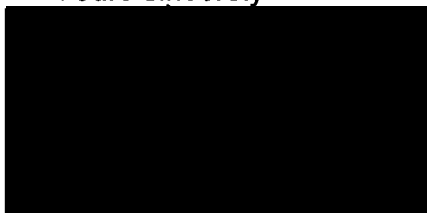
Dear Chair

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 its response to the recommendation.

Yours sincerely



The Hon Dr Anne Aly MP

17 / 9 / 2025



OFFICIAL

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 an update on progress in implementing the ANAO's recommendations from the audit of administration of the Adult Migrant English Program 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 6 of the recommendations have been progressed to closure, with plans to finalise the remaining 4 recommendations in coming months.

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; and
- Refined its approach to determining and targeting quality assurance activities.

Of the 4 remaining recommendations, three will be implemented with the commencement of the new contracts and one relating to analysis of complaints is in progress.

The strengthened contract management practices will continue to support strong governance, value for money and accountable program delivery with the introduction of the new AMEP contracts.

In regard to the Committee's request for an update on the tender process for the new Adult Migrant English Program contracts, the Department can report that the Request for Tender for the provision of AMEP General Services from 1 January 2026, under AusTender reference HOMEAFFAIRS/2165/RFT, was released to market on 9 September 2024 and closed on 22 November 2024. The procurement process is ongoing and continues to be conducted in accordance with approved processes.

Response to the recommendation

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 Department). These variations have been incorporated into the Master Contract Management Tracking Register. This Register will continue to be updated, should there be any further variations, before the end of the current contract cycle in December 2025.

The Department has submitted evidence to support the closure of this recommendation and is currently awaiting formal outcome from 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.

The Department has submitted evidence to support the closure of this recommendation and is currently awaiting the formal outcome from 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.

All existing AMEP providers were invited in 2024 to submit their innovative projects proposals to the Department. The projects were assessed in accordance with an approved evaluation plan. For successful projects, separate work orders were put in place under the existing AMEP Agreement with the service provider for delivery of the project.

The Department has submitted evidence to support the closure of this recommendation and is currently awaiting the formal outcome from 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.

The Department has submitted evidence to support the closure of this recommendation and is currently awaiting the formal outcome 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, this was met by all tenderers.

The Department has submitted evidence to support the closure of this recommendation and is currently awaiting the formal outcome 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 will be implemented with the commencement of the new AMEP contracts.

The Department has developed a new Performance Management Framework for the future AMEP contract arrangements, underpinned by the introduction of AMEP Quality Guidelines and Standards. The Performance Management Framework includes revised key performance indicators, including a measure for English language outcomes that has been developed through extensive consultation. It includes measures for participation, learning outcomes, pathway guidance, data timeliness and service quality. This will ensure AMEP services are high quality and client outcomes are optimised.

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.

This recommendation is expected to be implemented in coming months.

The Department has commenced an analysis of complaints data from the general service providers of the AMEP which is expected to be completed later in 2025.

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, with full implementation due with the commencement of the new AMEP contracts.

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 (see recommendation 9 for more information). The Department continues to monitor the delivery of services under the QA contract through monthly contract management meetings and reporting against the Key Performance Indicators.

Ongoing contractual performance management will be supported by the introduction of the new Performance Management Framework for the future contract arrangements.

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
- 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 - 31 December 2025 the QA provider is scheduled to undertake 932 client file verifications and 16 onsite assessments visits.

The Department has submitted evidence to support the closure of this recommendation and is awaiting formal outcome from 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 will be implemented with the commencement of the new AMEP contracts.

The new Performance Management Framework, by the AMEP Quality Guidelines and Standards, will provide greater monitoring of quality of services delivered to students. This performance framework includes revised KPIs which have taken into account feedback received from sector stakeholders, as well as the need for departmental assurance around key contractual requirements. It will include measures for participation, learning outcomes, pathway guidance, data timeliness and service quality.



Signed by Michael Willard
Accountable Authority of Department