

QUESTION TAKEN ON NOTICE

SUPPLEMENTARY BUDGET ESTIMATES HEARING : 17 October 2016

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(SE16/107) - Annual Report - failed criterion - Internal Product (DIBP)

Senator Carr, Kim (L&CA) written:

"DIBP failed to meet the following criterion within the Annual Report:

(a) Volume of cargo subject to inspection and examination within Function 1: Facilitation and enforcement of trade and customs.

(b) Compliance activities within Function 1: Facilitation and enforcement of trade and customs.

(c) Management of travellers and goods moving across the border occurring in accordance with the department's service standards within Function 2: Facilitation and enforcement of travel.

(d) Less than 1.15 per cent of the total passenger and crew arrivals are refused immigration clearance at airports and seaports within Function 2: Facilitation and enforcement of travel.

(e) Immigration status of the majority of non-citizens located in the Australian community for breach of immigration law is resolved in a timely way within Function 2: Facilitation and enforcement of travel.

(f) Processing of international passengers (air and sea) within Function 2: Facilitation and enforcement of travel

(g) Visa applications are finalised within applicable service standards within Function 3: Delivery of visitor, temporary residents, migration and citizenship programmes, including student visa, Working Holiday Maker programmes, Permanent Visas, General Skilled Migration, Employer Sponsored, Business Innovation and Investment, Partner, Parent, Other family programs

(h) Percentage of citizenship conferral applications decided within service delivery standards being at least per cent within Function 3: Delivery of visitor, temporary residents, migration and citizenship programmes.

(I) Aerial surveillance coverage (square nautical miles) within Function 5: Offshore maritime security, Contracted aircraft and Royal Australian Air Force assets (square nautical), Commercial contracted satellite (square nautical miles), Ashmore vessel (station and streaming days), Number of apprehensions of illegal foreign fishing vessels, Number of illegal foreign fishers apprehended and processed.

(j) Revenue collection within Function 6: Revenue collection - Collection of revenue associated with passenger movements, Proportion of refunds and drawbacks delivered in accordance with client service standards.

Can you please provide: (a) an explanation as to why each criterion was not met, (b) an outline of the process to ensure they will be met in the future (c) the implications of missing each target."

Answer:

- (a) Attachment A provides a list of the annual report performance criteria that were 'not met', and explains why each target for items a) to j) in the written question has not been met.
- (b) The Department acknowledges that its ability to meet specified targets may be impacted by a range of environmental factors within, or outside of, its control.

The Department continues to focus on continually improving its performance, including through expanding the use of new technologies to digitise and automate trade, travel, visa and citizenship processes and redeveloping its immigration, citizenship, travel and trade policies and frameworks. The Department is also equipping its staff with the specialist skills and development opportunities needed to perform their roles even more effectively and efficiently.

These improvements will assist the Department to meet the challenges associated with the continued increase in volumes of people and goods crossing our border.

- (c) In some cases, where targets were not met, the variance from the targets was either within acceptable tolerances or was a deviation from the forecasted estimates and had no material impact. Otherwise, the implications were minimal. For instance, minor delays in processing times due to exceeding service standards. Criteria that fall into this category are marked on Attachment A with *.

Where targets not being met could have had negative impacts, any risks were mitigated through the continued use of an intelligence-led, risk-based approach to operations; ongoing review of processes, including technology improvements and staff training; and managing internal resource allocations to address changing volumes. Criteria that fall into this category are marked with **.

The Department also exceeded its anticipated performance in some areas, which technically resulted in targets not being met. This means that in some instances, the Department demonstrated increased effectiveness through our deterrence activities, and an increased focus on integrity. Criteria that fall into this category are marked with ***.

DIBP Annual Report 2015–16 performance targets ‘not met’

SQ16-000388 (SE16/107) Annual report – failed criterion

In-question criterion	Relevant annual report criterion	Reference	Explanation as to why target was not met
a) Volume of cargo subject to inspection and examination within Function 1: Facilitation and enforcement of trade and customs	Sea cargo: Number of TEU inspected**	Page 28 – Function 1 – Table 1	While not the only factor contributing to the reduction in Air and Sea Cargo inspections for the 2015–16 period, comparing the operating environments between the two reporting years, PIA activity during October and December 2015 stands out as the anomaly largely responsible for the decrease in inspection activity.
	Sea cargo: Number of TEU examined**	Page 28 – Function 1 – Table 1	
	Air cargo: Number of consignments inspected**	Page 28 – Function 1 – Table 1	
b) Compliance activities within Function 1: Facilitation and enforcement of trade and customs	Number of imported air cargo consignments reported*	Page 34 – 35 - Function 1 - Table 2	Air cargo consignments were higher than previous reporting years but lower than the budget forecast estimate. The number of import consignments sent to Australia is market driven and largely influenced by the global environment. The Department has no direct influence over this vector.
	Proportion of customs broker licence applications processed in accordance with client service standards*	Page 34 – 35 - Function 1 - Table 2	In 2015–16, a total of 72 customs broker licence applications were processed, of these, 7 did not meet the 8 week service standard. The service standard was not met due to a number of reasons, including applicants requiring more time to supply required documents; and delays in the application review process due to an illness of a National Customs Broker Licensing Advisory Committee member.

In-question criterion	Relevant annual report criterion	Reference	Explanation as to why target was not met
	Proportion of tariff classification, valuation and rules of origin advices completed in accordance with client service standards*	Page 34 – 35 - Function 1 - Table 2	40% increase in demand for reviews from Industry as a result of increased focus on Compliance activity created service delivery pressures. Redistribution of resources was required to meet increased demand for reviews which resulted in lower overall client service standards across tariff classification, valuation and rules of origin advices.
	Number of international vessel movements*	Page 34 – 35 - Function 1 - Table 2	International vessel movements were less than forecast. The Department is unable to influence the number of international vessels entering Australia.
	Number of reported vessel arrivals*	Page 34 – 35 - Function 1 - Table 2	Vessel arrivals were less than forecast. The Department is unable to influence the number of vessels arriving in Australia.
c) Management of travellers and goods moving across the border occurring in accordance with the Department's service standards within Function 2: Facilitation and enforcement of travel	Management of travellers and goods moving across the border occurring in accordance with the Department's service standards*	Page 39 – Function 2	<p>There was a slight decrease (2.1 per cent) in the number of travellers cleared within the service standard of 30 minutes compared with the previous year due to increasing traveller numbers, the size and capacity of aircraft and vessels and aging arrival technology.</p> <p>This is being addressed through the development of a more mobile workforce and ongoing technology rollout, including an investment of \$78.9 million to install next generation arrivals processing at Australian international airports to provide streamlined processing while still addressing risks.</p>

In-question criterion	Relevant annual report criterion	Reference	Explanation as to why target was not met
d) Less than 1.15 per cent of the total passenger and crew arrivals are refused immigration clearance at airports and seaports within Function 2: Facilitation and enforcement of travel	Less than 0.015 per cent of the total passenger and crew arrivals are refused immigration clearance at airports and seaports***	Page 39 – Function 2	The increased rate of refusals is largely a result of increasing confidence in the Border Risk Identification System (BRIS) tool and the Department’s improved intel-led capability to better identify travellers who are more likely not to comply with their visa conditions.
e) Immigration status of the majority of non-citizens located in the Australian community for breach of immigration law is resolved in a timely way within Function 2: Facilitation and enforcement of travel	Immigration status of the majority of non-citizens located in the Australian community for breach of immigration law is resolved in a timely way**	Page 43 – Function 2	A range of events and situations impact on the Department’s ability to resolve an individual’s immigration status through a departure outcome. This includes Ministerial intervention requests, litigation, and difficulties in obtaining travel documents from the country of origin, health and other case complexities.

In-question criterion	Relevant annual report criterion	Reference	Explanation as to why target was not met
f) Processing of international passengers (air and sea) within Function 2: Facilitation and enforcement of travel	Processing of international passengers (air and sea): Percentage of passengers processed within 30 minutes of joining the inwards queue*	Page 46 – Function 2 – Table 3	This was a slight decrease (2.1 per cent) compared with the previous year due to increasing traveller numbers, the size and capacity of aircraft and vessels and aging arrival technology. This is being addressed through the development of a more mobile workforce and ongoing technology rollout, including an investment of \$78.9 million to install next generation arrivals processing at Australian international airports to provide streamlined processing while still addressing risks.
	Processing of international passengers (air and sea): Percentage of high risk vessels where targeted operational responses were performed**	Page 46 – Function 2 – Table 3	2015-16 saw an increase of 40% in the number of vessels assessed as high risk over the previous reporting period. Despite this significant increase, the Department only missed the target by less than 4 percentage points. In addition, the increase in threat assessments is an indictment of the Department's improved intel-informed operations.

In-question criterion	Relevant annual report criterion	Reference	Explanation as to why target was not met
<p>g) Visa applications are finalised within applicable service standards within Function 3: Delivery of visitor, temporary residents, migration and citizenship programmes, including student visa, Working Holiday Maker programmes, Permanent Visas, General Skilled Migration, Employer Sponsored, Business Innovation and Investment, Partner, Parent, Other family programs</p>	<p>Visa applications are finalised within applicable service standards*</p>	<p>Page 64 – Function 3</p>	<p>For temporary visa programmes, there continued to be an increase in applications lodged. This increase can be attributed to growth in Australia’s key tourism and education markets, improved global economic conditions and a steady rise in travel by the growing Chinese middle class.</p> <p>For permanent visa programmes, the continued high demand from people wanting to live and work in Australia exceeded the number of available places, placing pressure on processing capacity.</p>
<p>h) Percentage of citizenship conferral applications decided within service delivery standards being at least per cent within Function 3: Delivery of visitor, temporary residents, migration and citizenship programmes</p>	<p>Percentage of citizenship conferral applications decided within service delivery standards being at least 80 per cent*</p>	<p>Page 64 – Function 3</p>	<p>The Department has been experiencing a sustained increase in volumes of citizenship applications with the number of applications for citizenship by conferral increasing by 127% from 2010-11 to 2015-16. During the same period (2010-11 to 2015-16), the number of humanitarian entrants applying for Australian citizenship has increased by 397% as humanitarian visa holders progressively become eligible.</p> <p>With the larger numbers of migrant and humanitarian applicants now eligible for Australian citizenship, there is increased complexity that the citizenship programme must manage. In 2015–16, 76.6% of citizenship conferral applications were decided within 80 calendar days of lodgement.</p> <p>The Department is ensuring greater processing consistency and risk based quality assurance processes in the citizenship caseload. This is in response to a number of factors including an increased focus on community protection and to the June 2015 Australian National Audit Office (ANAO) report titled Verifying Identity in the Citizenship Programme.</p>

In-question criterion	Relevant annual report criterion	Reference	Explanation as to why target was not met
i) Aerial surveillance coverage (square nautical miles) within Function 5: Offshore maritime security, Contracted aircraft and Royal Australian Air Force assets (square nautical), Commercial contracted satellite (square nautical miles), Ashmore vessel (station and steaming days), Number of apprehensions of illegal foreign fishing vessels, Number of illegal foreign fishers apprehended and processed	Aerial surveillance coverage (square nautical miles): Contracted aircraft and Royal Australian Air Force assets (square nautical miles)**	Page 80 – Function 5 – Table 7	<p>MBC surveillance flights focussed on the high-risk areas of Christmas Island and Cocos (Keeling) Island as well as flights across the northern approaches to the Australian continent.</p> <p>The transit time to the surveillance area resulted in an overall decrease of area coverage but increased coverage of the zones presenting the greatest civil maritime security threat to Australia.</p>
	Aerial surveillance coverage (square nautical miles): Commercial contracted satellite (square nautical miles)**	Page 80 – Function 5 – Table 7	<p>In 2015–16 MBC’s satellite contracts moved from specific Heard Island and McDonald Island Exclusive Economic Zone surveillance to commercial satellite imagery capable of providing surveillance throughout the Australian maritime domain, providing coverage when and as required by operational users targeted on a range of developing threats. This revised system uses both radar and optical imagery and is used in a risk based, intelligence-led method.</p>
	Aerial surveillance coverage (square nautical miles): Ashmore vessel (station and steaming days)**	Page 80 – Function 5 – Table 7	<p>The vessel designated for Ashmore operations, like any item of machinery, is periodically subject to faults requiring rectification.</p> <p>These faults are rectified through a combination of integral engineering support repair and deeper level maintenance during designated maintenance periods or shorter periods that coincide with crew changes.</p>

In-question criterion	Relevant annual report criterion	Reference	Explanation as to why target was not met
	Aerial surveillance coverage (square nautical miles): Marine Unit (patrol days)**	Page 80 – Function 5 – Table 7	<p>Marine Unit (Patrol days) were partially reduced due to the loan of two of the Cape Class vessels to the Royal Australian Navy which resulted in a reduction of 80 days due to the requirement to transfer the operational control of the vessels and train Navy crew.</p> <p>The ABF has a scheduled rotation plan for its vessel management that incorporates the management of crewing and maintenance. Cape Class patrol boats are managed in accordance with scheduled maintenance rotations and as for any item of machinery, rectifications are prioritised and managed to enable to continuation of the strong maritime posture which has not and is not threatened.</p> <p>Vessels are affected by a variety of faults during a deployment. Operational posture is maintained and managed with vessel operational availability supported by on board engineering capabilities that are trained and equipped to meet the maintenance demands that might arise outside of scheduled maintenance periods.</p> <p>Faults identified during introduction into service have and are being rectified through the ongoing examination by ABF, Vessel provider, In Service Support contractors and independent maritime regulatory authorities.</p> <p>As for any enabling capability, crew illness, injury and unavailability for other reasons may have a constraining effect of vessel availability.</p>
	Aerial surveillance coverage (square nautical miles): Number of apprehensions of illegal foreign fishing vessels***	Page 80 – Function 5 – Table 7	<p>Illegal foreign fishing vessel apprehensions were significantly lower than the PBS target due to Maritime Border Command's (MBC's) continued efforts in Australia's northern waters.</p> <p>MBC's regular surveillance has promoted a deterrence effect in Australia's Fishing Zone which is demonstrated by an increase of compliant fishing and a decrease in illegal foreign fishing activity. MBC's has also increased information sharing capabilities and provided investigations support to MBC's domestic and international partners.</p>

In-question criterion	Relevant annual report criterion	Reference	Explanation as to why target was not met
	Aerial surveillance coverage (square nautical miles): Number of illegal foreign fishers apprehended and processed***	Page 80 – Function 5 – Table 7	As above - The apprehension of fishers was significantly below the set PBS target as a consequence of the deterrence effect and enforcement efforts. The Australian Fisheries Management Authority successfully prosecuted fishers during the reporting period which has contributed to the ongoing deterrence effect, particularly in Australia’s Northern waters.
j) Revenue collection within Function 6: Revenue collection - Collection of revenue associated with passenger movements, Proportion of refunds and drawbacks delivered in accordance with client service standards	Collection of revenue associated with passenger movements*	Page 85 – Function 6 – Table 8	Revenue collections associated with passenger movements were higher than previous years due to an increase in passenger numbers but lower than the budget forecast estimate. The number of travellers entering Australia is influenced by the global environment. The Department has no direct influence over this vector.
	Proportion of refunds and drawbacks delivered in accordance with client service standards*	Page 85 – Function 6 – Table 8	The small decrease in performance is largely attributable to increased complexity of claims submitted by industry. There has been a significant increase in the value of Drawbacks claims for alcohol and tobacco during 2015-16. Additional intervention in complex claims has led to an almost 50% increase in variations to claims.

In-question criterion	Relevant annual report criterion	Reference	Explanation as to why target was not met
	Duty concessions: all other concessions schemes (range)*	Page 85 – Function 6 – Table 9	<p>This criterion includes several concession schemes, including schemes administered by the Department of Industry, Innovation and Science (DIIS).</p> <p>One of the schemes is the Enhanced Project By-Laws Scheme (EPBS), administered by AusIndustry within (DIIS). The forecasts for the EPBS are set by DIIS.</p> <p>For 2015-16, DIIS' initial EPBS revenue foregone estimate was \$140m. The estimate was updated through Portfolio Additional Estimates Statement to \$274m. The actual year end figure came in at around \$337m.</p> <p>The EPBS is a demand driven scheme where the demand cannot be accurately forecast in advance. The timing of importation undertaken by a small number of very large projects, generally in the Liquefied Natural Gas sector greatly influences the aggregate value of duty foregone in the scheme.</p>