

12. The overhaul of Australian immigration practices, 2005–2010

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Over the past five years, the Department of Immigration and Citizenship (DIAC) has sought to reform and transform our culture and business practices. This endeavour has come about as a direct result of the department's previous history of maladministration in cases such as Cornelia Rau's unlawful detention in 2004 and the subsequent *Palmer Report* her case provoked. This chapter will analyse the progress that we are making, characterised by attempts to build stronger visa, migration and citizenship services. It will also explore the challenges we have faced in implementing this organisational change, and our future plans for the department.

Immigration: the complexity of operational practices

First, we need to consider where the department has come from and where we are planning to go. In addition to our core business enrolled in managing the entry and settlement of people from around the globe, the department's activities cross a number of key policy areas, including: economic policy; social policy; and national-security policy. In addition, we are vitally involved in a number of emergent debates—for example, in Australia's future population options, an issue of discussion in the community and the 2010 election campaign, and an area in which we have done significant work. Moreover, we are an organisation that does not simply deal with 'policy issues', but one that is also involved in client service delivery, whether it be directly through our own offices or through service-delivery partners or outsourcing arrangements.

My department serves millions of clients across a range of programs each year, from tourists coming to Australia to the hundreds of thousands of students studying here from overseas; from temporary and permanent workers coming to Australia to refugees and people seeking Australian citizenship. The complexity of our work and of the policy design that has gone into these programs is reflected in the simple fact that as of 2010 there are now more than 150 visa categories for both short and long-term stays in Australia, including making provision for New Zealanders coming to Australia.

The figures of our work speak for themselves: in the year 2009–10, nearly 120 000 people became Australian citizens, the department granted more than 4.3 million visas, and staff in our service centres answered 1.73 million telephone calls. Moreover, during this period, 29 million people crossed Australia's borders, and that was facilitated by visa programs and by services provided by my department and by the customs and border protection service on our behalf. Roughly half of those 29 million were Australians, and roughly half of those were people coming to Australia and half leaving Australia. Even so, that represents approximately seven or eight million non-Australians coming to Australia and leaving again. This is an indication of the sheer size, scale and integration of our economy with other economies, manifested through tourism, the international student sector, overseas workers and people coming here to settle permanently. To process this workload, we have approximately 7000 staff, of which about 1000 are based overseas across 100 offices. We are very much a multinational organisation.

We make decisions in often sensitive, complex and deeply personal areas, sometimes involving a person's character, their criminal record or whether they pose a threat to Australia's security. We also take into account their relationships, and whether these relationships—a parent–child, husband–wife, de facto, parent—are in fact genuine or whether, as occasionally occurs, relationships are entered into or assumed for immigration outcomes rather than for family outcomes.

Immigration status and, of course, refugee status are other critical issues. Refugee status involves a complex interrelationship of international law, Australian domestic law (both statutory and case law), the personal circumstances a person faces should they return to their homeland (that is, would they be persecuted), and assessments as to the credibility of people and whether or not they are in fact telling a correct story. These difficult tasks are complicated by the fact that many people who come from refugee situations might be traumatised or deeply affected and consequently unable to communicate effectively. This is a complex area of decision making, and the public debate often underestimates its complexity.

In addition to those previously mentioned roles, we as a department provide services for people required by law to be in immigration detention, and Australian law requires that people who arrive here without a visa are detained. At the moment this means well more than 3000 people are currently detained in various centres around the state capital cities and in other places such as Christmas Island and the Curtin detention centre in Western Australia. Detention involves the department in other responsibilities, because we are responsible not only for a person's status and the determination of whether they should stay in Australia or go home, but also the provision of facilities (often through service

providers) including accommodation, and medical or mental health services. It is a hugely complex area and one that we have put at the core of the framework we established post 2005. As we are a service provider in regards to immigration detention, we do not talk about inmates or prisoners; we talk about the people as ‘clients’—clients of the department who deserve our respect, and from whom in turn we seek to be respected.

Thus, we are profoundly involved in extensive policy work and operational activities—both in Australia and overseas—to support Australia’s response to the issue of irregular maritime arrivals. In the past 12 months, for example, we have seen almost 6000 people arrive in Australia by boat unlawfully—a subset of the aforementioned 29 million border crossings and, in international terms, a very small figure. When you look at the number of asylum-seekers moving to Europe and to North America, for instance, in global terms, Australia’s figure—while certainly not small and certainly significant in our historical terms—is miniscule when compared with the world. And yet, the department acknowledges that decisions regarding irregular maritime arrivals often involve complex assessments of Australia’s obligations in relation to individual claims—and all of those activities can be the subject of great public interest and of course debate.

The department’s core values are essential to the way in which we conduct our business. We are professional public servants and are accordingly committed to the values of the Australian Public Service (APS). Moreover, in recognition of the specific work we undertake as a major department within the Commonwealth, we have developed and promote specific DIAC values to reinforce key aspects of the way we do our work. These include commitments to

- service excellence
- being open and accountable for our actions
- listening and responding to the needs of our clients, our stakeholders and each other
- fostering teamwork and ensuring integrity in decision making and business activities.

Further, such values are universally applied throughout our department, regardless of where we are conducting our work—whether in the national office in Canberra or in Christmas Island Detention Centre, in Brisbane or in Beijing. Similarly, our values are applied regardless of the nature of the business activity—whether we are interviewing a client for a visa, or confirming citizenship, whether our staff are organising a compliance visit to a factory where it is suspected people are working illegally in Australia or have overstayed their visa, or whether we are engaged in any of the many other tasks that we

do. The adoption of these values—and the way we have embedded them in all parts of our work and business planning—has not only integrated the culture of the organisation, but also helped to raise the level of trust in our work by government, clients and any other stakeholders in the wider community.

Reformation: towards a new values-based culture

I was appointed Secretary of DIAC in July 2005 following the tragic cases of Cornelia Rau and Vivian Alvarez and indeed many other people who had been unlawfully detained. It was a deeply bruising time for the department, with its failures regarding these unlawful detentions all over the media and highlighted in major reports by the former Australian Federal Police Commissioner Nick Palmer and the former Chief Commissioner of the Victorian Police Neil Comrie.

For me, that time was about restoring confidence in the department, regrouping and establishing a clear set of values and forward actions that would prevent a repeat of those tragic mistakes. This approach was best articulated in a 2007 Ombudsman report by John McMillan entitled *Ten Lessons Learnt*, which basically summarised the lessons learnt from the various reports the Ombudsman issued in relation to those immigration cases.

When McMillan launched that report, I suggested there was in fact an eleventh lesson: the need for a strong and positive culture and values base for public officials. It is essential that we do not forget those lessons of the past, and they are not exclusively applicable to DIAC; anyone working in public administration could usefully regularly refer to that Ombudsman's report from August 2007. Indeed, in our department's business planning, as part of the individual business plans for work units, we require our managers to address the various lessons in that report and to make a self-assessment as to whether they are at risk of forgetting those lessons.

My task and that of the senior leadership team of the department was to create an integrated department united by our common, historical purpose of building the Australian nation and sharing a common culture based on the APS Values and Code of Conduct as well as our own specific business values. This period was the beginning of the journey to drive and integrate the reformation of DIAC through a values-based culture. A key question for any successful change process is how to sustain change over time, because it is one thing to have an initial rush of enthusiasm, but quite another to genuinely change an organisation and ensure that change endures beyond the tenure of a particular leader or set of leaders.

The success of the change of an agenda also lies in the ability of leaders to communicate their claims effectively; to engage all the employees in the journey, to make this a shared experience, to ensure the people understand the reasons for the change, and ultimately to own that change. This required involving our people in each step of the journey and harnessing their own goodwill and creativity as part of that journey.

Back in 2005, we analysed the *Palmer Report* and adopted its three key themes to inform our work into the future. Five years on, those key themes still remain relevant. Essentially, what Palmer's report said was that the Department of Immigration had to become an open and accountable organisation; it had to have fair and reasonable dealings with clients; and it had to have well-developed and supported staff. In our department, we refer to these three themes as 'the triangle'.

The importance of these three simple themes is of universal relevance across public-sector organisations. The values they encapsulate provide the principles for sound decision making and good administration. The values also provide a framework within which plans can be interrogated. It is fair to say that every aspect of our work could be traced back to these values. Additionally, we cannot and should not ignore changes in our operating environment, and a solid evidence base is crucial to avoid reactive decision making. We have also done a number of things over the past few years beyond looking at values, such as looking at culture, analysing our attitudes and surveying staff. Then of course there have also been some specific business measures that have been adopted to try to change and create a better operating environment for the department.

One of the most significant aspects—certainly the most expensive in terms of expenditure of public funding—has focused on improving our capability through information technology (IT) innovation. We call this the 'Systems for People' program, and it is essentially an IT transformation strategy—a redesign of our business processes aimed at providing better management and use of information as well as modern technological support. Indeed, it has been one of the largest technology-enabled business transformations undertaken by the public sector in Australia, with our budget forecasting the overall bill over four years to come in at \$600 million.

A strong evidence base for policy making and operational decisions is also critical to the sustainability of any organisation, so recently we established a specific policy innovation research and evaluation unit to identify and analyse long-term issues. We found as an organisation we have become very focused on the short term. But given that the issues we deal with are essentially long term in nature—for example, the lasting impact of immigration on Australia's population and our integration into the global economy through the movement of people—we needed to shift part of our focus to longer-term issues.

To achieve this, we commissioned a new research program to cover the settlement outcomes of new arrivals, the contribution of humanitarian entrants to Australia and the long-term impact on Australia of the migration program. The research this program conducts is now instrumental in informing the government's work on sustainable population for the future.

We quite deliberately sought to extend this research program beyond the traditional focus on the migration program and actually sought to extend it into areas of refugee resettlement and community cohesion. We developed the ideas for the program through much internal discussion to ensure it was not just captive of one particular area. To do this, we also held consultations with stakeholders and with the minister himself. He was interested in what we would be looking at, and the results of that research will start to become available to us and hopefully will contribute to sound decision making, rather than simply basing issues on gut feelings or anecdotes.

Another move we made was appointing a chief economist to the department—a position that had previously not existed. Despite the fact we have had a chief lawyer, a chief information officer and a chief auditor, we did not actually have someone focusing on economics as a policy skill. In retrospect, this seems like an obvious skills gap, so now we have a chief economist and support staff who have greatly strengthened our capability in the critical area of government policy decision making. Examining the improvements that have been put in place in the past couple of years around the policy design program (the design of the migration program, the interrelationship between international student policy and the migration program), it is pleasing to note that there has been a much sounder evidence base drawn from economic principles than might have been the case some years ago.

Restoring trust in the department was obviously another crucial challenge. After the damning cases of Cornelia Rau and Vivian Alvarez, there was arguably a complete loss of trust in the department among the general public; these two unlawful detentions seemed to act as a lightning rod for broader concerns in the community about the management and detention of asylum-seekers. In 2010 we again have many people back in detention, yet so far the department has largely escaped criticism over the matter. This is a sign that we have been successful in restoring trust in our administration. This has been achieved through the reform program, but also through extensive stakeholder engagement, both at a community level amongst advocates, critics and the media, and at the political level.

One of the best pieces of advice I received in my first days in the job was from a colleague who suggested we identify and meet the 20 people who hated the department the most. Some were quite surprised to get a letter from me! By meeting these people, we were able to restore communication channels, thus restoring a semblance of trust in the department, even if we do not always agree with these people.

I have also attempted to restore trust at the political level—an endeavour supported by former minister Amanda Vanstone and her successors, Kevin Andrews and Chris Evans. I usually make an opening statement at the beginning of any Senate Estimates hearings, and talk about the department's activities and what we have been doing. This open and accountable approach has been important and also involves working closely with the Ombudsman.

Organisational reform requires some form of external validation—for while we had been getting some constructive responses and some important anecdotal feedback from key stakeholders such as the Ombudsman and the Human Rights Commission, it was essential for us as an organisation to have our progress assessed by an outsider. That is why, three and a half years into the post-Palmer reform program, I commissioned a respected organisational consultant, former secretary of the Victorian Premier's Department Elizabeth Proust, to undertake an independent review of DIAC's achievements.

Fortunately, in 2008, Proust concluded that the department had made substantial reforms and progress since 2005, forming the view that the implementation of the post-Palmer reform program was essentially complete. She identified the entrenchment of these reforms as a key issue for the future, and did not shy away from criticism, pointing to some areas for particular activity including the finalisation of our technology changes. Overall, the Proust review was of great assistance to us in providing a frank health check from the perspective of an outsider well versed and experienced in public administration and the difficulties involved with managing large organisations.

Proust's assessment gave us confidence to believe we had largely put in place measures to ensure we did not repeat the tragic mistakes of some years ago, while acknowledging that in a big department involving thousands of staff, operating in numerous locations and dealing with millions of clients every year, mistakes do happen. One of the key aspects of our cultural change was to have some very clear expectations that if mistakes are made, we immediately identify them, out them, and address them. Such an approach stands in contrast with the tragic situation of Vivian Alvarez's case, where there was a cover-up involving a couple of middle managers.

While many of us at the department were simply mystified as to how and why such a cover-up could occur, the fact is that it did occur, and one of the key areas of our post-2005 reforms has thus been to ensure that we accept the fact that mistakes are made. Accepting that if a mistake is made it needs to be openly dealt with and addressed does not mean we are always happy with the mistake, but it is much worse if a mistake occurs and no-one does anything about it.

From reformation to transformation: the second stage of DIAC's overhaul

Having gained confidence we were heading in the right direction, by 2009, the department felt ready to move into the next stage of its development. This coincided with the commencement of another period of high operational tempo in the department, for not only were we running big migration programs and responding to the effects of the global economic crisis in adjusting some of those programs; not only were we dealing with serious issues relating to the overall welfare of overseas students in Australia and working closely with the Department of Education and state governments and others in relation to that, but during this period we also saw the re-emergence of irregular maritime arrivals coming to Australia. We also recognised that the department had been experimenting with new ways of doing business, had produced some good ideas, and had done a lot of work in developing a stronger client-service culture. My then Deputy Secretary, Carmel McGregor, should be singled out for bringing a great deal of insight and energy into re-energising the department's client service strategies.

While many features of our reform agenda were starting to be realised, we needed to incorporate them into a cohesive and united forward plan that built on the post-reform base. We had reformed the department, but we now needed to *transform* the department. This initiative will help strengthen Australia's borders, and enable us to provide far better services in migration, visa provision and to citizens.

We are now one year into this transformation. Presently, we are seeking to conceive what DIAC should look like in terms of service delivery, policy capabilities and internal business services well into the future (five, 10 or 15 years out). We are seeking a well-planned, carefully conceived vision that we can not only populate with initiatives, but also ultimately end up being a genuinely modern and strong organisation that provides excellent services to government and to our clients.

We have set ourselves a challenge of being nothing less than the best immigration agency in the world, and, given the capabilities of some of our counterparts, we are probably quite close to that mark. This does not mean, however, that we cannot improve, because there is still much room for improvement. We do not simply want to benchmark ourselves against other immigration services; we want to benchmark ourselves against the best in the public sector and indeed against the best in the private sector. We decided that we needed to do this notwithstanding the high operational tempo of the department; indeed, we cannot hope to manage such a high tempo without transforming into a more efficient

and effective department. Consequently, the transformation is essentially aimed at ensuring we are both financially and operationally sustainable in the long term. To do this, we have focused on three elements: policy, client services and internal business services.

Many agencies are now attempting to become citizen centric, but in DIAC we first needed to recognise that many of our clients were not citizens—some were perhaps on a pathway to becoming citizens. Consequently, we talked about delivering services to ‘clients’. Additionally, as a policy *and* delivery agency, we were interested in demonstrating effective implementation of policy through integration with service delivery. Today there are not too many departments in Canberra that have both a policy and a service-delivery aspect; the functions are often separated. We see our combined roles as an asset, because it gives us internal integration. Consequently, it should enable us to perform better than some of our colleagues. The priorities leading our transformation are all in alignment with the Moran blueprint for the reform of the APS and with the Government’s Web 2.0 technology agenda.

I previously mentioned steps we have taken to improve our policy and evaluation performance and increase our client-centric focus; our agenda is very much about program and individual case integrity, about service delivery and about efficiency. In seeking greater levels of efficiency, it became evident that we actually needed to restructure the organisation, and to do this we have now grouped together all of our policy and program management functions under one deputy secretary. Such functions include visa services, citizenship services and refugee status determination services. By the same token, we have also grouped together the areas of internal business services, technology, property, finance and legal issues.

The shift to a global operational structure is also something that we are seeking to achieve. For the first time, the department has shifted its thinking from geographic management and service delivery organised within the Australian states to global service delivery, whereby senior officers have responsibility for a business line and the delivery of services for that business line anywhere in the world. At the same time, we have based those global manager positions largely in the states, using our state directors to oversee them. We are increasingly confident this is a much smarter way to deliver genuine client services and decision-making integrity without people getting different treatment in different offices depending on where they happen to turn up. We are also using new technologies to aid decision-making processes and record keeping as well as moving to provide global access to electronic visa applications.

So how have we integrated risk analysis into our global management structure? As part of our innovative organisational structure, we have formed a specialised

division to focus on risk, fraud and integrity issues. While we have always had a strong focus both on integrity of individual decisions and on broader program integrity, we needed to ask ourselves whether we were managing some of our specific programs effectively. This new division in Canberra—dealing with risk, fraud and integrity—is not only responsible for identifying and analysing key risks across the department, but is also setting our overall risk-management framework, policies and procedures. To do this, we have some high-end expert services in this area, but at the same time we have assigned one of our global managers to be solely responsible for operational integrity.

We did this because we had a specialised unit based in Adelaide that looks at operational integrity issues, so a global manager of operational integrity works closely with the Canberra-based risk, fraud and integrity division and with key policy and program management people to provide pre-decision support to the global service-delivery network. In addition, this team provides post-decision sampling and checking to ensure that our visa and citizenship outcomes align with policy intent. Such a position ensures that our integrity-control framework is integrated.

Through this approach, we aim to consider risk and any ventures associated with risk in a global manner. This could involve high-end investigations that have a close working relationship with the Federal Police, or the monitoring of employers as to whether or not they are in fact giving people the correct entitlements. It can also include our overseas network of what we call integrity officers who are involved in managing risk issues at overseas posts. This is the first time we have brought them together in one cohesive way. We are already seeing the benefits of this global approach in terms of integrity decision and in our service delivery to clients.

Additional benefits of this global structure are that our service centre staff are trained to work within a range of programs to apply principles for consistent decision making and provide a seamless client service regardless of location. This involves doing increasingly more work with clients by email, electronically and on the telephone to create strong organisational units that manage that type of work. To help us achieve this, we should look at best practice from the public sector, and from the private sector, to learn how we can create career structures, organisational units, learning and development opportunities and the monitoring of performance. Ultimately, we aim one day to become a far more accessible organisation where people can contact us any time of the night or day and speak to us in their chosen language.

Currently, we have ‘contact centres’ in Sydney and Melbourne, but in the past they were seen largely as useful recruitment centres for people who would then move to other jobs in the department. We hope to expand these centres

to include Australia's west coast, because Perth's time zone is beneficial when engaging with clients in China, India, and other parts of Asia. In addition to our existing Australian call centres, we have an effective call centre operating in Ottawa, Canada, where we provide services for parts of Europe and North and South America in a range of languages including Spanish, Portuguese, French and English.

Reorienting our organisation to be client focused led us to appoint a global manager for service centres. To get the best in performance, we specifically recruited someone with expertise in effectively managing contact centres. As a result, we are already seeing a significant improvement in performance independent of those other changes yet working their way through.

An integral part of this transformation was sustained, effective communication. By effectively communicating and engaging with departmental staff to secure their buy-in and ownership of the change journey, we have created a shared view and vision of where the department is going. In my view, the progressive nature of the roll-out and ongoing engagement with staff have been similarly successful in entrenching DIAC's transformation program.

Throughout the department, we have especially stressed the importance of listening, for while it is tempting and sometimes inevitable to get stuck in the office and buried in emails, we want our organisation above all to be one that works through issues with people. For our departmental leaders, this means having a constant presence to get the best out of their team. Essentially this involves working with staff to understand their problems, so they know what the agenda is—both short term and long term. Ultimately, it requires establishing clear and consistent messages and expectations.

Improving communication also involves regular staff surveys. Previously, this rarely occurred. Prior to 2005, 10 years had passed since the last staff survey. But since the reforms began we now survey our staff every 12–15 months to try to shift people out of passive resistance into a much stronger engagement, and we have been largely successful in this undertaking.

An integral part of the planning and preparation stage was the development of comprehensive communication and stakeholder engagement strategies that include targeted individual communication plans for effective business areas. We deliberately tried to do this by the book so as to understand, identify and map our risks and to make sure the medium and long-term objectives of improving client service, enhancing efficiencies and ensuring decision-making integrity were met. The lead times for each element of the roll-out have been deliberately long to ensure we are able to continue business as usual, particularly at a time of high operational tempo, while at the same time developing and maintaining the momentum for longer-term change.

The third and final part of this overall transformation has been to group together all of our services for managing business and corporate services. This includes payroll and personnel centres or training units in each of our state offices, property managers or other business services. We have grouped them together to create a mixed corporate business-services area. Consequently, we now have a unified central legal-services area, a unified central technology-services area and a unified central communications and public affairs area. And yet, our people and our financial services continue to be spread widely across our states and territories and our divisions.

We believe we can provide better services and drive better efficiencies through a shared service model. We commenced this journey only in mid 2010, and the first thing we are focusing on is being able to account for all the people involved—quite a challenge indeed. The process involves bringing them into a single budget group before starting to examine how we can actually provide the best services. This does not mean all our services will come out of Canberra; it means rather that they can be done and distributed through a range of different models. By doing this, we believe we can improve efficiency, the value of people's work and the value of their work satisfaction. We also believe it will help us deliver benefits in value for money back to government, and do that in a way that will ultimately benefit the long-term future of the department.

Ultimately, transformation is about better services: better services for the Australian Government regardless of its policies; better services for our clients, be they visa applicants, potential citizens, immigration detainees, people who overstay visas or any other clients; and, last but not least, better services for our staff to ensure their job is an enjoyable one.

Concluding remarks

In 2010 DIAC celebrated its sixty-fifth birthday. We were created in 1945 by Prime Minister Ben Chifley, with Arthur Calwell becoming our first minister in July of that year, before the end of the War in the Pacific. Over those 65 years, we believe we have been a major force in helping build modern Australia and, indeed, are a vital part of Australia's economic and security infrastructure. As a result, Australia is now a country in which nearly one in two of us was either born overseas or has a parent who was born overseas.

And while there has generally been bipartisan support for migration policy, the history of immigration in Australia has been controversial at times. Often competing views and interests have to be carefully weighed, be they policy related, legal, operational, or indeed the needs of individuals. There has been significant public interest in immigration and citizenship matters in the

Parliament and in the community since the earliest days of the department and often right back to 1788. Many issues have been strongly debated in the Parliament, in the courts, in the media, in academia and in the court of public opinion. Such is to be expected from a vibrant, modern democracy such as Australia. Successive governments determine different levels of migration to suit Australia's needs at the time, and debate on such matters will continue in many forms.

Against this backdrop, the department has recently undertaken a significant overhaul. The progress of our initial reform program from 2005 to 2008 following the *Palmer Report*, and the subsequent transformation program that followed, can give us some confidence that we are an agile and forward-looking organisation. We have had considerable positive feedback from staff and I have been extremely encouraged by the support we have been receiving from senior colleagues in other departments.

But the best indication yet that we are succeeding in our endeavour has been the feedback we have received from our clients and stakeholders. For example, in August 2010, I announced to staff the results of the first research commission run by the department to gather intelligence on the experiences of our clients. It showed that about 82 per cent of our clients were satisfied or highly satisfied with our services—and that includes those who do not want to be our clients, such as those in detention, so it is a gratifying result. I can say those unintended clients are probably less pleased with our services than others, but it was not about the quality of the service; it was about whether they wished to receive the service in the first place.

As this transformation process continues, the Department of Immigration and Citizenship will strive to provide the best possible visa, migration and citizenship services to the Australian community by continuing to examine our services and operations. I am genuinely excited by the opportunities and benefits the department's long-term transformation program will provide to our direct clients, the Australian Government and the wider Australian community. I look forward to continuing to be a part of this journey.