Provision of Migrant Settlement Servics by DIMA

Australian National
Audit Office

Canberra   ACT
22 December 1998

Dear Madam President
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit of the Department of Immigration and Multicultural Affairs in accordance with the authority contained in the *Auditor-General Act 1997.* I present this report of this audit, and the accompanying brochure, to the Parliament. The report is titled *Provision of Migrant Settlement Services by DIMA*.

Following its tabling in Parliament, the report will be placed on the Australian National Audit Office's Homepage— http://www.anao.gov.au.

Yours sincerely

P. J. Barrett
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra   ACT

AUDITING FOR AUSTRALIA

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Contents

Abbreviations

AMEP	Adult Migrant English Program
ANAO	Australian National Audit Office
APS	Australian Public Service
CGP	Community Grants Program
CRSS	Community Refugee Settlement Scheme
CSS Scheme	Community Settlement Services Scheme
DIEA	Department of Immigration and Ethnic Affairs
DIMA	Department of Immigration and Multicultural Affairs
FAC	Funding Advisory Committee
GIA	Grants-in-Aid
IDC	Immigration Detention Centres
IHSS	Integrated Humanitarian Settlement Strategy
MAC	Multicultural Affairs and Citizenship
MAPS	Migrant Access Projects Scheme
MRC	Migrant Resource Centres
NESB	Non-English Speaking Background
NISS	National Integrated Settlement Strategy
OAA	On-Arrival Accommodation
SAC	Special Assistance Category
SHP	Special Humanitarian Program
SSOs	Settlement Service Officers
STOs	State/Territory Offices
TIS	Translating Interpreting Service
UNHCR	United Nations High Commission for Refugees

Glossary

Annual Work Program Review	As part of the accountability requirement, DIMA funded organisations receiving major project or worker-based grants under the CSS Scheme are required to prepare a report of the annual review of the work program for each year of funding.
Case Coordination	A support service provided to refugees and humanitarian program entrants residing in On-Arrival Accommodation (OAA). It deals primarily with harnessing the efforts of an identified range of services and directing these to the particular needs of individual entrants and members of their families.
Case Management	An approach aiming to ensure that the specific needs of humanitarian entrants are identified and addressed in a timely and coordinated way, by linking them with services such as health, English language training and employment assistance, appropriate to their individual circumstances.
Community Grant Consultants	"Consultant"—A DIMA officer who supports, assists and monitors DIMA community grants and funded agencies.
FAC	Funding Advisory Committee—A committee comprising representatives of Commonwealth and State Government officials with an advisory role to assist DIMA identify applications that are in line with DIMA program priorities. The FACs are also able to contribute to the process of identifying gaps and duplication in services and in identifying alternative funding sources.
Humanitarian entrants	Those entrants who are granted visas under the Department's Humanitarian Program.
Humanitarian Program	There are four components to this program: • refugee: people who meet the United Nations Convention definition of a refugee and have been identified in conjunction with UNHCR as in need of settlement; • special humanitarian program: a program for those who have suffered discrimination amounting to gross violation of human rights and who have a strong support

from an Australian citizen or resident or a community group in Australia;

- special assistance category: while not meeting the refugee or special humanitarian criteria, are nonetheless in situations of discrimination, displacement or hardship; and
- onshore protection visa: people who are granted protection visas when they arrive in Australia.

IDC	Immigration Detention Centres accommodate unlawful non-citizens until they either obtain a visa which allows them to lawfully stay in Australia or until they depart Australia.
IHSS	The Integrated Humanitarian Settlement Strategy is a national framework for a more holistic and targeted approach to settlement services for Humanitarian Program entrants.
Major project grants	Awarded under the CSS Scheme to improve services to migrants through large-scale projects designed to facilitate the access of migrants to mainstream community services. Each project is funded for an amount up to $50,000 per annum and a period of up to 12 months (sometimes, depending on the nature of the project, for funding up to two years).
Management Committee	Through this committee an organisation manages its grant, either directly, or indirectly through a specially formed grants sub-committee. On behalf of the organisation the committee is responsible for the employment and management of the worker and is accountable to DIMA for any grant awarded.
Minor project grants	A project-based Scheme to improve services to migrants through small-scale projects including target group surveys, purchases of equipment, training for volunteers, production of multi-lingual information, etc. Each project is funded for an amount up to $10,000 and a period of up to 12 months.
MRC	Migrant Resource Centre—incorporated, independent bodies core-funded by DIMA which deliver settlement services to migrants, especially refugee and humanitarian entrants. MRCs are responsible for delivering a range of services in line with government policy and in accordance with a work program agreed with DIMA.

NESB	Non-English Speaking Background—a person raised in a country whose spoken language is other than English (NESB1), or raised (in a country whose language is English) by parents or in an environment whose spoken language is other than English (NESB2).
NISS	National Integrated Settlement Strategy—a planning framework which aims to link and improve the services available to migrants and refugees in Australia at local, regional, State/Territory and national levels.
Onshore Protection visa	Visa issued under section 36 of the Migration Act to a person whom Australia has an obligation to protect as a signatory to the United Nations Refugee Convention. Applicants who are found to meet the United Nations Convention definition and meet Australia's health and character requirements are granted a Protection Visa.
Outcomes	The results, impacts or consequences of the actions by the Commonwealth on the Australian community.
Proposer	A proposer is someone who identifies a person for humanitarian settlement, especially with a view to providing settlement assistance after the entrants' arrival in Australia.
Refugees	People who are outside their country of nationality or usual residence, and are unable or unwilling to return home to seek the protection of that country because of a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a social group, or political opinion.
Risk management	Managing risk involves the systematic application of management policies, procedures and practices to the tasks of identifying, analysing, assessing, treating and monitoring risk. This includes quantifying and making order of actual and potential risks and their associated losses, and developing management strategies to either assume, control or eliminate these risks and losses.
Service Agreement	The legal document signed between a funded organisation and DIMA. It includes the work program setting out how the organisation will carry out its project and imposes mutual obligations, including the funded organisation's obligation of accountability to the Department.

Standards   Pre-defined levels of excellence or performance specifications which can be set on various aspects of an organisation, including inputs, processes, outputs or objectives. Standards can relate to quality and objectives of a service or to aspects of service delivery and can be set at different levels.

Targets   Quantifiable performance levels or changes in level to be attained at a specified future date. Targets can clarify and simplify the process of performance monitoring.

Work programs   A schedule of how an organisation intends to carry out its project, identifying objectives, strategies, outcomes, and performance information to evaluate its success.

Worker-based grants   Awarded under the CSS Scheme to assist the ethnic and other community organisations to initiate, manage and promote settlement services through the employment of specialist social or welfare workers.

Provision of Migrant Settlement Services by DIMA

Summary and Recommendations

Summary

DIMA settlement services

1. The Department of Immigration and Multicultural Affairs (DIMA) is responsible for the migration of people including refugees into Australia and some post-arrival arrangements for migrants and refugees. The audit focussed on the settlement aspects of DIMA's role which is reflected in the statement of the Minister for Immigration and Multicultural Affairs that 'the Government is committed to ensuring that the objectives of its Migration and Humanitarian entry programs are reflected in the early and effective settlement of migrants and refugees'.

2. Australia's total immigration target for 1997–98 was 80 000, comprising 68 000 under the Migration Program, and 12 000 (including a notional 2000 places for Onshore Protection Visas) under the Humanitarian Program.

3. DIMA delivers settlement services to migrants within the framework of the National Integrated Settlement Strategy (NISS). The NISS is a planning framework which seeks to link and integrate services available to migrants and refugees in Australia at local, regional, State/Territory and national levels. The Minister for Immigration and Multicultural Affairs announced, in the 1996-97 budget, that funds would be made available in 1997–98 for the introduction of the Integrated Humanitarian Settlement Strategy (IHSS) to enhance the delivery of settlement services to refugees.

4. DIMA provides a range of settlement services including:

- a range of services to help successful settlement of migrants and humanitarian entrants funded through the Community Settlement Services (CSS) Scheme which provides grants to community organisations;

- funding 30[1] Migrant Resource Centres (MRCs) plus three outreach services, to provide multilingual information, advice and referral services;

- the Adult Migration English Program (AMEP), to ensure migrants have access to English language soon after their arrival in Australia;

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[1]   At the start of 1997-98 there were 32 MRCs, federal funding to two MRCs was terminated in March 1998 and July 1998 respectively.

- the Translating Interpreting Service (TIS), which helps migrants with limited English skills to access services provided by government and community agencies;
- the Community Refugee Settlement Scheme (CRSS), under which community groups provide settlement services for the first six months after refugee's arrival in Australia; and
- On-Arrival Accommodation (OAA), which provides initial short-term accommodation for refugees and humanitarian entrants in need of this service.

5. Expenditure on these programs amounted to $141.3 million in 1997-98.

Settlement services environment

6. There are a number of factors that had an impact on DIMA's administration of the provision of settlement services in 1997–98. Some of these were ongoing and related to the nature of the settlement services environment including, for example, that voluntary bodies and community organisations play a major role in delivering the settlement services administered by DIMA. Others resulted from developments before and during the year, including:

- instead of the previous three year CSS Scheme grant cycle (formerly known as the Grant-in-Aid and Migrant Access Projects Schemes), a one year cycle was introduced for CSS Scheme grants in April 1997, in accordance with Government policy;
- the introduction of competitive tendering arrangements for AMEP and the undertaking of a major review of TIS;
- a major review to determine the future directions for the MRC network; and
- the introduction of the IHSS.

7. In addition DIMA underwent a major organisational restructure in November 1997 to align its organisational units and program structure and to facilitate focus on outcomes and outputs in the context of accrual budgeting.

Audit objective, scope and criteria

8. The objective of the performance audit was to assess the efficiency and administrative effectiveness of the administration of migrant settlement services by DIMA. The audit addressed:

- strategic management, including corporate planning, performance measurement and reporting arrangements; and

- operational management of some of the individual schemes operated by DIMA.

9.   The audit examined administration of the CSS Scheme (including those grants funded under the IHSS), the MRC program, the OAA Scheme, and the CRSS. AMEP and TIS are currently subject to forms of purchaser/ provider arrangement, and were not covered as part of this audit.

10.   The criteria for the audit were derived from recognised good practice in organisational planning and administration, grant administration, performance measurement, and contract management. The ANAO's fieldwork covered Central Office, Sydney, Melbourne and Brisbane State Offices and various stakeholder consultations.

Conclusion

11.   While the settlement services examined are long established programs, their administration fell short of good practice in some areas. DIMA has emphasised that it was operating in a changing environment during 1997–98, with some significant changes to the schemes that it administered which had an adverse impact on the efficiency of the Department's administration. Nevertheless, the Department should address some key areas to ensure on-going effective and efficient administration of these services, in particular by:

- implementing an improved planning and performance information framework to replace interim planning arrangements which are limited in their effectiveness to direct DIMA's efforts in providing migrant settlement services;

- strengthening the CSS Scheme grant application, assessment and monitoring processes to increase assurance that they give real effect to program priorities;

- more consistent administration of the monitoring and reporting arrangements for MRCs in order to achieve the benefits that DIMA is seeking from a new Service Agreement with these particular organisations; and

- reviewing the outcomes it is expecting from the provision of humanitarian settlement services such as the OAA and CRSS to ensure that administration of the scheme facilitates effective and efficient financial management and better client outcomes.

12.   Addressing the above areas now would also facilitate the move towards an accrual-based outcomes and outputs framework to be implemented from 1 July 1999 across the Commonwealth Government.

13. The Department has begun to address some of these shortcomings, for example the new Service Agreement with MRCs is seen as a substantial step forward in managing work programs and outputs from the MRCs.

Department response

14. DIMA accepts the ANAO recommendations on management, planning and performance information in relation to Settlement Services as useful guidance for effecting the substantial revision to current practices required for the shift to output-outcome budgeting in 1999–2000 and beyond. The Department is already implementing the recommendations that arise from the negotiation of new service agreements with MRCs and is taking account of ANAO findings and recommendations while preparing for the 1999 round of grants applications under the CSS Scheme. Similarly, it is moving in the directions recommended for improving OAA and CRSS administration. The audit has raised some important questions of best practice in public administration and provided opportunity for useful dialogue with the ANAO and a healthy challenge to some of our assumptions.

Key Findings

Planning

15.   Given the operational pressures and the changes in the environment, the Department decided not to replace its expiring 1994–96 Corporate Plan. Instead, the Department developed some interim planning arrangements for its settlement services, in particular a statement of activities for the year. However, the statement did not specify the program outcomes it sought to realise, nor performance measures to assess achievement of these outcomes.

16.   While work plans were developed for Central Office sections, these plans were of mixed quality in terms of whether they addressed clearly the objectives of the scheme administered, strategies to achieve objectives, performance information, priorities, milestones, roles and responsibilities of staff, and linkage of activities with other related areas. Furthermore, of the three State Offices, visited only Queensland had an operational plan for 1997–98.

17.   The ANAO concluded that the planning arrangements in place did not provide a sufficiently sound structure for directing the efforts of the various areas within DIMA to contribute effectively to the provision of settlement services. More effective planning reduces the possibility of unnecessary duplication of activities on the one hand, and of not addressing activities appropriately on the other, as well as of non-optimal alignment of resources and outputs, with consequent impacts on outcomes.

18.   DIMA should ensure that its planning framework provides both the overall strategic direction for settlement services and a consistent and coordinated approach to planning in the various related areas of the Department.

19.   DIMA's planning of migrant settlement services would also be better informed by a more structured approach to risk management. DIMA aims to have its risk management strategies embedded in its activities and reflected in the way it conducts business. However, this approach is not systematic and therefore unintended consequences may result including potential oversight of relevant issues. Consequently, the ANAO considered that there was not sufficient assurance that these efforts were well coordinated to achieve the required outcomes.

20.   DIMA has recently produced a high level Business Directions document. It has indicated that it has sought continuously to improve its

planning and performance information arrangements and that the output-outcome approach required for budgetary arrangements from 1999–2000 provides the immediate context for very substantial revision of current practices and a radical change in the way services are brought to account. DIMA advised that the ANAO recommendations are useful guidance for effecting the required changes.

Performance information

21. The ANAO found that the Department does not yet have a comprehensive and transparent performance information framework for its settlement services. Limitations in the current planning arrangements for the provision of these services has been a contributing factor since, for example, the plans provide little performance information aligned to assess the contribution of each level of administration to the achievement of sub-program objectives.

22. Administrative reporting that is undertaken tends to be narrowly focussed, not addressing a full range of relevant measures, and with little progress reporting against targets, plans and standards. These limitations were also reflected in DIMA's Annual Report. A more structured approach to performance information and progress reporting, incorporating a balanced range of measures and timely reporting against plans, targets and standards would enable all program areas within DIMA to receive necessary feedback on their performance for review purposes. Such action would contribute greatly to efficient and effective achievement of outputs and planned outcomes, as well as provide improved external accountability.

23. There is very little information available on outcomes, which is a consistent theme in this report. A greater focus on the outcomes of the services being delivered would also facilitate effective delivery of DIMA migrant settlement services. Given the complexities of determining some settlement outcomes, DIMA may find value in incorporating interim outcomes in its approach. There would also be an advantage in examining the prospect of establishing intermediate outcomes as suggested in the Department of Finance and Administration's guidance on implementing the output/outcome approach required under the budgetary arrangements from 1999–2000.

CSS Scheme grants administration

Grants round promotion and timing

24. The 1997–98 CSS Scheme grants round was well promoted through the media and through direct contact, with information sessions being held to explain the guidelines and procedures. Applicants were provided with

a grant application package which was clear and concise, providing the information necessary for a successful submission.

25. Changes to the grants scheme had a considerable impact on the administration of the 1997–98 grants round. The termination of all grants on 30 September 1997 contributed to a very large number of applications. In the circumstances, delays were likely, and notification of outcomes occurred about six weeks after the announced due date. Whilst recognising the circumstances which contributed to delay, grant recipients indicated that this delay caused uncertainties with regard to their ability to fulfil the work program and to ensure appropriately experienced workers were available.

Achieving the sub-program objective

26. The relevant sub-program objective, refers to '…settlement programs for recently-arrived migrants and humanitarian entrants…'. DIMA advised that the reference to recently arrived migrants and humanitarian entrants was not intended to be exclusionary but to indicate that they are the principal, rather than the sole, target group of the sub-program. DIMA further advised that as an element of the sub-program, the Community Grants Program has been administered for many years in line with a much wider and well publicised interpretation that reflected the priority of recently arrived migrants without excluding the unmet settlement needs of long established ethnic communities.

27. The ANAO considers that program management and accountability would benefit from greater clarity in the sub-program objective. This would reduce the risk of inconsistent interpretation and allow the development of better targeted performance information needed to assess whether program outcomes have been achieved effectively. The administrative challenge for DIMA is to ensure that the funding appropriately targets the needs of priority groups within the endorsed program objectives.

28. The ANAO found one third of the approved applications examined and subsequent work programs fell fully, or in part, into the broader interpretation by DIMA of its program priorities. That is, they met the settlement needs of longer established ethnic communities by providing services to people who, whenever they arrived, are still adjusting to the context of Australian society and to its culture and structure.

Meeting assessment criteria

29. The ANAO examined a sample of grant applications and found that those that were not recommended for funding were appropriately assessed. However, the documented procedures appeared less robust for those that were recommended. There was often insufficient documentation

on files to show how the decision to recommend an organisation for funding was derived, and no evidence to indicate that missing information was provided subsequently.

30.   The Department indicated that the lack of documentation in some cases may have been due to further awards to organisations which had a history of receiving awards and their operations and capability were well known to the Department. However, the use of such knowledge and information not contained in applications, and the results of negotiations with the organisations on their applications were not documented and therefore were not made transparent in recommendations for funding.

31.   Improvements in the gathering of information and documentation of its use in the assessment process for review of applications would give greater confidence that grant applications were being treated equitably and provide a more effective accountability trail.

Work programs

32.   Work programs, submitted with grant applications to indicate how an organisation would address client needs through planned activities, were generally weak. However, DIMA invested considerable effort in negotiating renewed work programs subsequent to grants being approved, with the result that the majority (some 80 per cent) of approved work programs examined by the ANAO contained appropriate and achievable outcomes that were linked to the strategies. Nevertheless, there remains scope for the Department to enhance the quality of work programs for the remaining applications by setting clear minimum standards for their approval.

Grant consultants

33.   Grants are monitored, administered and supported by DIMA Grant consultants. The development of a handbook providing guidance to the consultants had contributed effectively to administration of the grants program, although it now needs revision. Updating the handbook would improve its usefulness to consultants.

34.   While grant consultants had a good understanding of their roles and responsibilities, most had gained their experience on the job (including staff transferred to consultants positions as a result of the 1997 restructure). The experience of other agencies is that appropriate skills training is critical to successful and efficient outcomes from such agreements and contracts. DIMA consultants confirmed this was a need. An appropriately structured training strategy would contribute to development of these skills, and could incorporate documentation required for review purposes, interpretation and management of agreements, monitoring and advice to agencies to support improved grant management.

Grant monitoring and reporting

35. The change from a three year to a twelve month grant cycle had an impact on the administrative effectiveness of grant monitoring processes. Monitoring of grants in 1997–98 was very limited, compared with requirements, as well as being ad hoc and not reliable, thus reducing assurance of appropriate outcomes for expenditure. DIMA should review its monitoring arrangements to ensure that they are effective, and consider a risk managed approach to help address some of the workload pressures and to provide greater assurance on achievement of objectives.

36. The internal reports prepared by DIMA for review of grant results were largely output focussed, did not include information against targets or standards, or address servicing of priority groups and provided little information on outcomes in relation to the grants program. DIMA should re-consider how information can be provided by groups for more effective performance reporting and review. There may also be value in DIMA setting outcomes at a range of levels. The high level outcomes could address the longer term impacts on the community, while lower level intermediate outcomes could provide more direct consequences of resources invested in a shorter period.

37. The service agreement provides for payments on a quarterly basis, but these were not linked to budget/work program targets. Therefore it was difficult to establish, for some long term projects, the extent to which payments were consistent with the degree of achievement of work program objectives. Better linking of payments to work program milestones/objectives would provide for more effective accountability for performance. DIMA indicated that it is now proposing to tighten monitoring procedures to address these issues.

Migrant Resource Centre Scheme

38. DIMA put substantial effort into the implementation of a new Service Agreement by 1 July 1998, including briefings to MRC management committee members and staff, and to DIMA staff. Under the new Agreement, MRC payments are attached to milestones which are measurable; the work program is simplified and formulated in terms of more measurable service outputs; there is identification of responsibility of all parties concerned; and the agreement specifies dispute resolution mechanisms.

39. DIMA has yet to complete its planned development of structured guidance for DIMA consultants, in the form of a handbook. The challenges of the new agreement, involving substantial changes in the relationship of DIMA with MRCs, suggest that giving priority to the completion of such

guidance will increase the likelihood of achieving anticipated improvements in management and accountability for performance under the new agreement.

40.   The Agreement specifies that the Department is to provide reasonable training to the Centre's management committee and/or staff on any matters relating to the Centre's obligations under this Agreement and at law generally. DIMA had not yet developed a national training strategy to help it achieve its objective cost effectively in this area, although DIMA has since indicated it has made some progress by identifying key learning needs of MRC management committee members and core-funded staff.

41.   While the old Service Agreement had some reporting and monitoring arrangements, use of these arrangements was in practice weak. Many of the weaknesses were not so much in the arrangements themselves, but in the consistency and efficacy with which they were applied, as well as in the quality of data supplied by MRCs and the use made of it. While the new MRC Service Agreement provides a framework for, inter alia, improved monitoring and reporting, an improvement will be needed in administration of the arrangements if DIMA is to achieve the benefits it is seeking under the new Agreement. DIMA has indicated that it is now reviewing MRC statistical reporting arrangements and anticipates introducing revised arrangements in 1999.

Humanitarian settlement

42.   Almost half of the Humanitarian program in-take receive assistance from their proposers, generally family members, but often recently arrived humanitarian entrants. These entrants go straight into the community. Specialist settlement services are available to the other eligible Refugees and Humanitarian program entrants under the OAA program and the CRSS, with eligibility dependent on needs as assessed by overseas posts.

43.   One of the consequences of the current arrangements is that those who go straight into the community or to a proposer do not get the same targeted assistance as OAA or CRSS entrants. DIMA has indicated that it intends to address better targeting through clearer eligibility for particular services based on relative need.

On-arrival accommodation (OAA)

44.   DIMA has contracted out management of OAA and support services. Overall, DIMA was satisfied with the services provided by the contractor.

45. However, the ANAO found aspects of contract management by DIMA to be deficient. Staff were not clear about contract management procedures and the required contract management meetings were not being held regularly. There was no systematic process to ensure effective monitoring and verification of reports provided by the contractor, including those relating to expenditure, rent and debtors, resulting in one State not reviewing the reports at all. Such practices are not sufficient to ensure efficient and effective management of the gross expenditure of some $4 million per annum on OAA.

46. DIMA should ensure that there is a comprehensive contract management framework, incorporating appropriate guidance, outlining of responsibilities and training, in order to provide greater assurance of efficient and administratively effective outcomes from the contract.

47. There was quite variable performance in management of occupancy and overstaying by residents, adversely affecting the efficiency of utilisation of the OAA. Performance on debt management also varied markedly. The ANAO found that the level of involvement of Settlement Service Officers (SSOs) with OAA clients varied considerably between States after the initial services had been provided.

48. The absence of consolidated guidance and procedures would have contributed to the varying practices and performance observed, with staff not clear about a number of processes relating to contract management, debt management, managing overstayers and monitoring and reporting responsibilities.

49. The ANAO recognises that management of OAA is complex, particularly with respect to arrivals, where the movement of several thousand refugees from around the world is affected by many factors, some of which are beyond DIMA's direct control. Nevertheless, the ANAO considers that the Department can make significant savings on its current OAA costs, up to $500 000 per annum, through better management of occupancy and overstayers. The magnitude of the savings achieved will be dependent on the degree to which DIMA is able to influence the external factors. The use of a community organisation to carry out some of the functions traditionally undertaken by SSOs, as is the case in Queensland, offers a possible means of achieving some of these gains and of more effective and timely management of clients through OAA and into the community.

The Community Refugee Settlement Scheme (CRSS)

50.   CRSS groups are responsible for meeting certain refugee and humanitarian entrants on arrival at the airport and providing initial settlement assistance, including arranging accommodation and ensuring the arrivals have sufficient and appropriate information about the relevant settlement services in the community. DIMA provides a grant to the group for expenditure on the settlement of the family or individual.

51.   These groups are community-based and provide the time of their members for no fee. Therefore, a balance needs to be achieved between ensuring effective service delivery and high level expectations on the groups. However, DIMA's procedures for review and accountability of groups' expenditure and outcomes were not working well. There was insufficient evidence on files to indicate that the procedures for registration of groups were being fully complied with. DIMA has not been undertaking reviews of groups systematically with the required frequency, and procedures to provide accountability of groups for the grants were not being followed consistently, with evidence of expenditure being inconsistent with guidelines.

52.   DIMA should review the Scheme to ensure that it embodies arrangements which result in more effective and efficient financial and client-based outcomes. More up-to-date guidance for DIMA officers and support groups should contribute to improved arrangements.

Recommendations

Set out below are the ANAO's recommendations with Report paragraph references and DIMA's abbreviated responses. More detailed responses are shown in the body of the report. The ANAO considers that the DIMA should give priority to recommendations 1 to 6.

Recommendation No. 1 Para. 2.16

The ANAO recommends that DIMA develop its planning arrangements for the provision of migrant settlement services to provide a clearer focus on, and a strategic approach to, its operations, and greater consistency and alignment of planning in its operational areas.

DIMA: Agreed.

Recommendation No. 2 Para. 2.22

The ANAO recommends that DIMA implement a systematic approach to risk management for the provision of migrant settlement services, involving the assessment, analysis and treatment of risks and early identification of strategies to deal with and monitor performance against its risk based approach.

DIMA: Agreed.

Recommendation No. 3 Para. 2.36

The ANAO recommends that DIMA review its performance information and monitoring framework for settlement schemes to ensure there is a balance of performance indicators, both quantitative and qualitative, to measure and/or assess outcomes as well as outputs. This should be supported by internal reporting which provides an appropriate basis for internal management monitoring, and review and decision making, which provide for effective performance reporting to Parliament.

DIMA: Agreed.

Recommendation No. 4 Para. 3.32

The ANAO recommends that DIMA review the alignment between the Community Affairs and Settlement sub-program objective and internal grant procedures, for advice to the Minister as appropriate, to ensure proper accountability for program expenditure in accordance with stated objectives.

DIMA: Agreed.

Recommendation No. 5 Para. 3.40

The ANAO recommends that DIMA review and enhance its procedures for assessing CSS Scheme grant applications to ensure that recommendations for funding and supporting evidence are sufficiently documented for review purposes, particularly with respect to assessment criteria and use of information obtained subsequent to the application, in order to provide an appropriate accountability trail demonstrating an equitable process.

DIMA: Agreed.

Recommendation No. 6 Para. 3.56

The ANAO recommends that DIMA strengthen the support available to their Grant consultants in managing their relationship with funded organisations by:

• ensuring the Community Grants Resource Handbook is up-to-date; and

• implementing an appropriate training strategy for grant consultants.

DIMA: Agreed.

Recommendation No. 7 Para 3.70

The ANAO recommends that DIMA review monitoring and reporting processes for the CSS Scheme with a view to ensuring that:

- grant monitoring procedures are adhered to;

- grants are monitored on a risk managed basis with timely analysis of reports and feedback to grantees on performance; and

- information being provided by recipients supports output and outcome measurement and/or assessment, including for services to priority groups.

DIMA: Agreed.

Recommendation No.8 Para 3.75

The ANAO recommends that DIMA link CSS Scheme grant payments to work program milestones to provide greater accountability for expenditure of grant funds.

DIMA: Agreed.

Recommendation No.9 Para 4.21

The ANAO recommends that DIMA develop an appropriate strategy in support of its obligations for training of MRC management committees and/or staff.

DIMA: Agreed.

Recommendation No.10 Para 5.30

The ANAO recommends that DIMA:

- develop comprehensive contract management guidance for staff managing the OAA contract, including identifying specific responsibilities for contract monitoring, oversight and reporting; and

- ensure staff are provided with relevant contract management skills through relevant training where appropriate.

DIMA: Agreed.

Recommendation No.11 Para 5.53

The ANAO recommends that DIMA:

- establish consolidated On-Arrival Accommodation policy and procedures guidance, including effective processes for management of overstayers, occupancy rates and residents' debt; and

- explore, with community organisations, cost effective arrangements to provide settlement assistance for OAA clients, including the role of the Settlement Service Officers, to achieve more effective and timely management of clients through OAA and into the community.

DIMA: Agreed.

Recommendation No.12 Para 5.76

The ANAO recommends that DIMA review the outcomes it is expecting from the CRSS and ensure that the administrative processes are supported by:

- up-to-date guidance for DIMA officers and support groups; and

- arrangements to ensure group selection, performance monitoring and accountability requirements are complied with and are appropriately documented for operational and review purposes.

DIMA: Agreed.

Audit Findings and Conclusions

1. Introduction

This chapter provides an overview of the DIMA settlement services framework. The objective of the audit, scope, methodology and the criteria employed are also discussed.

Background to settlement services

The Department

1.1   The Department of Immigration and Multicultural Affairs (DIMA) is responsible for administering the migration of people, including refugees, into Australia and some post-arrival arrangements for migrants and refugees. Its mission is 'to contribute to Australia's economic, social and international interests through programs directed to the: lawful and orderly entry and stay of people; needs of business and industry; settlement of migrants and refugees and their acquisition of citizenship; and appreciation of the advantages of cultural diversity within a framework of national unity'.

1.2   Australia's permanent immigration program is separated into two components: the Migration Program for skilled and family stream migrants; and the Humanitarian Program for refugees and others with humanitarian needs.

1.3   The audit focussed on the settlement aspects of DIMA's role. DIMA has found it problematic to consistently and precisely define 'settlement' but has a broad view that arriving migrants, refugees and humanitarian entrants, need to:

- find somewhere to live;
- find employment, establish a business or find some other way to support themselves;
- learn to speak and read English if they don't already;
- enrol their children in school; and
- find out about their new environment—what is expected of them, what services are available and how to access them, how the government and community operates.

1.4   The ANAO noted that this view of migrant settlement focuses on the early settlement period for new arrivals. A recent paper prepared for community consultations by the Minister for Immigration and Multicultural Affairs, states that 'the Government is committed to ensuring that the

objectives of its Migration and Humanitarian entry programs are reflected in the early and effective settlement of migrants and refugees'.

Migration numbers

1.5   Australia's total immigration target for 1997–98 was 80 000 comprising 68 000 under the Migration Program and 12 000 under the Humanitarian Program. The latter comprised 10 000 places for people overseas with a humanitarian need, and a notional 2000 for people arriving in Australia and successfully seeking Onshore Protection visas. The 1997–98 targets were met for both Programs, with 68 000 visas granted under the Migration program and 12 055 visas granted under the Humanitarian program (Figure 1).

Figure 1
Migrant Intake for 1997-98

12,055

68,000
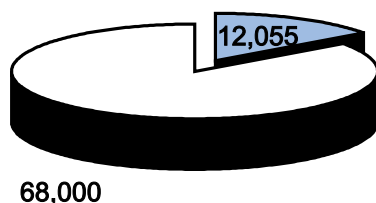
National Integrated Settlement Strategy (NISS)

1.6   DIMA delivers settlement services to migrants, including refugee and eligible humanitarian entrants, within the framework of the NISS. The NISS is a joint Federal/State initiative and seeks to link and integrate services available to migrants and refugees in Australia at the local, regional, State/Territory and National levels. It aims to clarify which agencies have responsibility for providing specific settlement services, encouraging the agencies to coordinate delivery of settlement services and targeting resources to avoid gaps and duplications.

1.7   In the 1996–97 Budget, the Minister announced the introduction of the Integrated Humanitarian Settlement Strategy (IHSS) to enhance the delivery of settlement services to refugees. The IHSS is to provide a national framework for improving humanitarian settlement services. A key element of the strategy is to make more effective use of the NISS planning structures to improve links between settlement planning activities and service delivery. Service providers will be brought together under the NISS framework, resulting in better planning, coordination and delivery of services.

1.8   A summary of major settlement services delivered by DIMA under the NISS framework are provided in Table 1.

Table 1

Summary of settlement services provided by DIMA

Name of the Scheme	Description	1997–98 Program Expenditure $m
Community Settlement Services (CSS) Scheme—includes worker and project based awards and establishment grants. (See also those CSS Scheme grants funded under IHSS).	The CSS Scheme seeks to provide funding for community organisations to initiate and manage services to help successful settlement of migrants, recently-arrived and humanitarian entrants	14.7
Migrant Resource Centres (MRCs)	National network of 30 MRCs plus three outreach services which provide multilingual information, advice and referral services and develop specific services for migrants to meet local needs.	8.3
Adult Migration English Program (AMEP)	Ensures that migrants have access to English language education soon after their arrival in Australia.	95
Translating Interpreting Service (TIS)	Helps migrants with limited English skills to access services provided by government and community agencies.	13.2
Community Refugee Settlement Scheme (CRSS)	Refugees and humanitarian entrants are assessed at overseas posts for referral to either CRSS or OAA. Volunteer groups under the CRSS are provided with a grant to expend on household formation for refugees or humanitarian entrants.	1.9
On-Arrival Accommodation (OAA)	Refugees and humanitarian entrants identified as in need of this service are provided initial short term accommodation in self contained units for up to 13 weeks (or 26 weeks in cases of hardship).	4.0
CSS Scheme grants funded under the IHSS	Additional funds were provided over 4 years, from 1997–98, for improving humanitarian settlement services mainly through CSS Scheme grants.	4.2
Total		**141.3**

1.9   DIMA has estimated that in 1997-98 administrative expenditure was of the order of $2.1 million[2] for the services examined in this audit (ie. all the above services, excluding AMEP and TIS; amounting to program expenditure of $33.1 million).

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[2]   Does not include superannuation and overtime costs.

DIMA settlement services program structure

1.10   Settlement services are provided under two sub-programs: Humanitarian Settlement, and Settlement and Language Services. These programs are administered through two Central Office functions, the Refugee and Humanitarian Division and the Multicultural Affairs and Citizenship Division. Appendix 1 shows the new DIMA program and organisational structure.

1.11   The Multicultural Affairs and Citizenship Division provides and coordinates policy advice and arranges multicultural, citizenship, settlement and language services. This includes having the coordinating responsibility for NISS. The Division is responsible for administering the Community Grants Program which comprises the CSS Scheme and the MRC program.

1.12   The Refugee and Humanitarian Division is responsible for providing advice to the Government on the size and composition of the Humanitarian program. The Division is responsible for managing the IHSS which builds on existing services such as OAA and the CRSS.

1.13   The Department has offices in each State and Territory capital city and 13 regional offices in New South Wales, Queensland and Victoria to deliver DIMA's settlement service programs.

Settlement services environment

1.14   There were a number of factors that had an impact on DIMA's administration of the provision of settlement services in 1997-98. Some of these were ongoing and related to the nature of the settlement services environment, others resulted from a policy and organisational changes before and during the year. These factors are summarised below.

Settlement services environment and delivery mechanisms

1.15   Voluntary bodies such as MRCs, CRSS groups and community organisations play a major role in delivering the settlement services that are administered by the Department. DIMA has therefore had a history of partnerships with these organisations which has had regard to their voluntary nature and the practical limitations on what can be expected from some of the organisations or groups. In particular, some of the organisations or groups used by DIMA are small and do not have the necessary resources to implement sophisticated administrative systems.

Recent developments

1.16 In 1997–98 the Department faced a number of challenges due to changes in policies and other factors which had major implications on the efficiency of the administration of the programs and placed considerable pressure on the Department's resources. For example:

- a two year waiting period for migrants for social security payments and eligibility for Job Network Services came into effect on 1 May 1998 (other than for refugee and humanitarian entrants). Migrant organisations involved in providing settlement services for DIMA consider this has placed a strain on their resources;

- the termination of all grants on 30 September 1997 contributed to a very large number of applications. The resulting application workload impacted on the availability of resources to administer the grants program;

- the introduction of competitive tendering arrangements for AMEP and undertaking a major review of TIS in line with the Government's commitment to improve flexibility and efficiency in the delivery of services;

- a major review of the MRCs was undertaken to determine the future directions for the MRC network; and

- the introduction of IHSS as part of the Budget 1996–97 initiative to provide 'specialist assistance to refugees and humanitarian entrants'.

1.17 In addition, DIMA underwent a major organisational restructure in November 1997 to more closely align organisational units and program structure and to facilitate focus on outcomes and outputs in the context of accrual budgeting.

1.18 DIMA's settlement services have also been the subject of a number of reviews in the last five years (see Appendix 2). Most of the reviews focussed on the policy aspects of specific schemes.

The Audit

Audit objective and scope

1.19 The objective of the performance audit was to assess the efficiency and administrative effectiveness of the administration of migrant settlement services by DIMA. The audit addressed:

- strategic management, including corporate planning, performance measurement and reporting arrangements; and

- operational management of some of the individual schemes operated by DIMA.

1.20   The audit examined the CSS Scheme and the MRC program, which are elements of general settlement services provided by DIMA under the Community Grants Program. It also examined elements of Humanitarian Settlement Services such as the OAA Scheme, the CRSS, and CSS Scheme grants under the IHSS.

1.21   The Department's other major program funding for migrant settlement is for the AMEP and the TIS. Both areas are currently subject to forms of purchaser/provider arrangement and were not covered as part of this audit.

Audit criteria

1.22   The criteria for the audit were derived from recognised good practice in organisational planning and administration, grant administration, performance measurement, contract management and benchmarks set by previous ANAO audits. They are provided at Appendix 3.

Audit methodology

1.23   The audit methodology comprised:

- field work in Central Office and in three State Offices (Sydney, Melbourne, Brisbane), including examining a sample of files for the schemes covered in this audit, and interviews with DIMA officers;

- examination of key settlement planning documents and related material;

- various stakeholder consultations including visits and interviews at six MRCs ; and

- examination of the developments that DIMA is considering for each of the schemes to ensure that audit conclusions take into account the directions for change that may occur.

1.24   The audit was conducted in accordance with ANAO Auditing Standards at a cost of $270 000.

Report structure

1.25   Chapter Two of this report examines strategic management issues in relation to administration of the settlement services provided by DIMA. Chapters Three and Four address operational management matters in relation to DIMA's Community Grants Program. Administration of the two major humanitarian settlement services is discussed in Chapter Five.

2. Strategic Management

This chapter examines DIMA's management and administrative framework for the four settlement schemes reviewed as part of this audit. The ANAO has identified a number of strategic management issues which should be addressed by DIMA to ensure an administratively effective and efficient achievement of DIMA's sub-program objectives.

Introduction

2.1   An effective strategic level focus as part of the management and administrative framework ensures operational efficiency and effectiveness. Effective governance in the public sector is supported and reinforced by sound strategic management principles which include[3]:

- implementing an appropriate planning framework which incorporates establishing a process for identifying, analysing and mitigating risks which could prevent an agency from meeting its objectives;
- developing a performance information and monitoring framework for collection and reporting of information on performance to ensure administratively effective and efficient achievement of outcomes; and
- ensuring clear lines of responsibility and accountability between the various levels of administration.

2.2   Implementing such a framework requires an agency to ensure that there is an understanding and commitment of all those involved; robust control structures which are designed to deliver the corporate objectives; and a stable management environment which sets in place the broad principles under which the agency operates. This approach is consistent with, and will facilitate the move towards, an accrual-based outcomes and outputs framework to be implemented from 1 July 1999 for the whole of Commonwealth Government.

Planning

2.3   Planning is also an essential element of effective and efficient administration. Characteristics of a sound planning framework include:

- providing a strategic direction and a focus on outputs and outcomes;
- adopting a structured approach to risk management to manage risks associated with administration of the programs;

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[3]   Principles for Core Public Sector Governance, ANAO,1997.

- supporting accountability for the achievement of performance targets; and

- providing alignment between the work and performance at each level of administration (both Central and State Offices) to ensure activities are focussed on meeting the sub-program objectives.

Overall planning framework

2.4   As described at 1.6, the National Integrated Settlement Strategy (NISS) is the key strategic planning framework that relates to migrant settlement in Australia. It seeks to link and integrate services at the local, regional, State/Territory and National levels. The NISS involves a number of mechanisms comprising:

- Commonwealth/State/Local Government Settlement Planning Committees in each State and Territory;

- the Commonwealth/State Ministerial Council of Immigration and Multicultural Affairs, which monitors the development and outcomes of the State/Territory Settlement plans;

- the Refugee Re-settlement Advisory Council assisting the Minister for Immigration and Multicultural Affairs with respect to advice on settlement issues;

- the Commonwealth Inter-Departmental Working Group on Migrant Settlement and other planning issues, which brings together key Commonwealth human services portfolios and assists in the identification at a national level of settlement objectives, priorities, targets, strategies and outcomes to be achieved; and

- the Commonwealth Ministerial Group.

2.5   DIMA undertakes planning for the delivery of settlement services which are its responsibility in parallel with planning for the NISS. The ANAO examined the administrative effectiveness of DIMA's planning for the delivery of its settlement services against the characteristics at 2.3. This included examining DIMA's planning framework, national business plans, and state office operational plans. Wider planning responsibilities with respect to the NISS were not covered.

DIMA planning arrangements for service delivery within NISS

2.6   As discussed in 1.16, the Department's administration of its settlement services in 1997–98 was undertaken in a changing environment, with a number of further changes foreshadowed. DIMA has indicated that it sought to focus its efforts for the year on finalising initiatives then under way, such as reviews of MRC Future Directions and of TIS services, and implementing purchaser/provider arrangements in relation to the AMEP.

The Department indicated that in these circumstances it decided not to replace the previous Corporate Plan which expired at the end 1996. Instead, the Department developed some interim arrangements, in particular an Activities Statement in July 1997.

2.7 The Statement was prepared by the then Multicultural Affairs and Citizenship (MAC) Division which was responsible for humanitarian settlement and community affairs and settlement. It sought to set out the main activities required to realise MAC Division program outcomes in 1997–98 and what was expected of the State/Territory offices, overseas posts and Central Office.

2.8 Based on the MAC Division Activities Statement, work plans were developed at the section and sub-section level at Central Office (ie. for Humanitarian extracts, Grants and MRCs). The Statement was also intended to be a basis for State planning.

Effectiveness of the planning framework for settlement services

2.9 As its name suggests, the Activities Statement was largely a list of activities with associated responsibilities. The statement did not specify the program outcomes it sought to realise, nor the performance measures that would be used to assess the achievement of these outcomes. While the document acknowledged that it required further refinement and that some elements may need to be developed in greater detail, it has not been updated (for example to reflect the restructure in November 1997).

2.10 There were no settlement service business plans developed for 1997–98 at Central Office to enable the work of DIMA to be directed at meeting its responsibilities in relation to provision of migrant settlement services. As a result there was no administrative performance information to assess the contribution of each level of administration to the achievement of the sub-program objectives.

2.11 Work plans were developed by the Humanitarian section, the MRC and the Grants sub-sections. However, these plans were of mixed quality in terms of whether they addressed clearly the objectives of the scheme administered, strategies to achieve these objectives, performance information, priorities, milestones, roles and responsibilities of staff, and linkage of activities with other related areas. Furthermore, of the three State Offices visited, the ANAO found that only Queensland had an operational (or settlement team priorities) plan for 1997–98, (NSW indicated that it intended to develop a settlement plan for 1998–99). There was little alignment between plans developed, limiting assurance that resources were effectively and efficiently directed towards stated objectives.

2.12 The limitations in the interim planning framework also meant that where plans were developed the links between objectives, strategies, performance indicators and outcomes were not clear, making it difficult to establish whether the strategies and performance indicators were relevant and measured the actual level of achievement. Further, plans were not reviewed or updated in light of the restructuring in November 1997 and subsequent developments.

2.13 The ANAO acknowledges that the changing operational pressures and environment contributed to DIMA's decision to have interim planning arrangements. However, the ANAO concludes that these arrangements did not provide a sufficiently sound structure for directing the efforts of the various areas within DIMA to contribute effectively to the provision of specific settlement services consistent with high level plans. There was an absence of plans in many areas, and little alignment between those that did exist. More effective planning reduces the possibility of:

• unnecessary duplication of activities;

• critical activities not being addressed appropriately;

• different parts of administration not working in harmony towards common objectives; and

• non-optimal alignment of resources, outputs and outcomes.

2.14 The ANAO considers that strengthened planning arrangements are particularly important given the complex nature of the settlement environment. In particular, DIMA should ensure that its planning framework provides both the overall strategic direction for settlement services and a consistent and coordinated approach to planning in the various related areas/levels of administration in the Department. The planning needs to be sufficient to provide greater assurance of coordination and alignment of activities in support of achievement of sub-program objectives. A more robust planning framework would improve lines of reporting and accountability and provide for focus and a strategic approach to operations. The ANAO also considers that it should help DIMA address some of the operational weaknesses identified in subsequent chapters of this report.

2.15 DIMA has indicated that it has sought continuously over the past five years to improve its planning arrangements and the effectiveness of its performance information and that the output-outcome approach required for budgetary arrangements from 1999–2000 provides the immediate context for very substantial revision of current practices and a radical change in the way services are brought to account.

Recommendation No.1

2.16 The ANAO recommends that DIMA develop its planning arrangements for the provision of migrant settlement services to provide a clearer focus on, and a strategic approach to, its operations, and greater consistency and alignment of planning in its operational areas.

DIMA response

2.17 DIMA agrees with the recommendation. DIMA has recently produced a high-level Business Directions document covering the period 1998–2000 and it will further address Settlement Services planning issues as part of the implementation of the accrual-based outputs and outcomes framework which comes into effect for the 1999–2000 financial year.

Risk management

2.18 The requirement to manage risks systematically applies to all organisations and to all functions and activities within an organisation and should be recognised as of fundamental importance by all managers and staff in the Australian Public Service (APS)[4]. The ANAO aimed to establish whether DIMA was systematically managing the risks associated with administering the four settlement schemes examined in the audit.

2.19 DIMA advised that its risk management strategies were embedded in its activities and were reflected in the way it conducts its business. As examples, it cited the introduction of new service agreements for MRCs as a recent risk management initiative which, inter alia, provides for prompt action where MRCs fail to meet the conditions of the service agreement.

2.20 Discussions with the State Managers revealed that they considered that risks were being managed based on the experience of staff. An example given was the needs-based planning process for CSS Scheme grants which targets, and delivers services to those in greatest need.

2.21 DIMA is of the view that these approaches assist in managing the inherent risks involved in its processes. The ANAO recognises that these demonstrate that DIMA has identified strategies to manage some risks. However, there is not sufficient assurance that efforts are well coordinated to achieve the required outcomes. There has been no systematic approach to identifying and addressing the various risks associated with administering the provision of migrant settlement services by DIMA. Such an approach would ensure that risks are formally identified and analysed, with strategies developed to mitigate the risks, thereby, reducing the

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4   Guidelines for Managing Risk in the Australian Public Service, MAB/MIAC Report No.22 October 1996.

likelihood of unintended consequences including potential oversight of relevant issues. A more structured approach to risk management would provide better informed support to normal planning and management decisions and make transparent some actions which are now taken simply through 'experience' and may not be fully effective.

Recommendation No.2

2.22 The ANAO recommends that DIMA implement a systematic approach to risk management for the provision of migrant settlement services, involving the assessment, analysis and treatment of risks and early identification of strategies to deal with and monitor performance against its risk based approach.

DIMA response

2.23 DIMA agrees with the recommendation. A more structured approach to risk management is being developed in the context of implementing output-outcomes budgeting requirements.

Performance information and monitoring framework

2.24 Performance information is a tool for performance management and improvement. It includes collection and reporting of information on performance for both internal (management decision-making) and external (performance reporting) needs. The need to implement an effective performance information and monitoring framework is also imperative in the current shift towards an accrual-based outcomes and outputs framework for the whole of Commonwealth. The new framework requires a performance management regime that applies:

- performance management strategies to monitor and assess the achievement of outcomes;
- defined performance measures of the outputs of departments, that is, what is the cost, quantity and quality of the outputs; and
- information on the uses of administered resources and the links between outputs and planned outcomes.

2.25 The new framework replaces Program Management and Budgeting which was introduced in the early 1990s to increase the focus on the achievement of outcomes, (for example, what impacts are achieved).

Performance information for settlement services

2.26 The ANAO found that the Department does not yet have a comprehensive and transparent performance information framework for its settlement services. This could be due, in part, to limited planning for

the provision of these services discussed above. An effective framework would include plans which identify the performance information required to accurately measure and report on program achievements. The ANAO found that DIMA did not have well structured procedures in place for the collection of performance information on the settlement schemes examined. While some of the plans developed as part of the interim planning arrangements (eg. the MRC sub-section work plan and the Queensland State settlement priorities) attempted to identify performance measures, these appeared to be developed in isolation, that is, they were not linked to longer term objectives and targets or clearly aligned with other plans.

2.27   A more effective planning framework that included the development of, and measurement against, appropriate performance indicators/measures would facilitate monitoring and reporting and facilitate a focus on whether activities were being efficiently and effectively undertaken in accordance with plans and in support of program objectives.

2.28   The State Offices do provide some quantitative information for review of the schemes by Central Office. For example, OAA and CRSS statistics on arrivals and unit occupancy rates were provided on a regular basis and the Community Grants sections provided six monthly statistics on the grants being administered. However, while the OAA and CRSS statistics provide an indication of progress against planned intakes, there is no regular information provided on administrative and qualitative performance. Furthermore, although some qualitative information on community development and service advocacy is provided, the information reported on grants related mainly to outputs such as statistics on direct case work and information and referral services provided to clients.

2.29   DIMA acknowledges that performance reporting on the more complex and diverse aspects of program delivery constitutes a challenge for it and the funded bodies.

2.30   The ANAO also found that there was very little progress reporting against targets, plans and standards. While DIMA had targets for the number of OAA and CRSS arrivals, these did not address, for example, the proportion of arrivals moving out of OAA within the first 13 weeks of arriving in Australia, (which has a cost and direct impact on the number of humanitarian entrants who can be accommodated). Similarly, there were no targets or standards set in relation to the Community Grants program, (for example, the proportion of funded services delivered to priority groups).

2.31   A more structured approach to progress reporting against plans, targets and standards would enable all program areas within DIMA to receive feedback on their performance for review purposes. Such action

would contribute greatly to efficient and effective achievement of outputs and planned outcomes.

2.32 The limitations in DIMA's performance information framework was reflected in its external reporting. The emphasis in performance information in the then current Annual Report (1996-97) for the four settlement schemes was mainly on lower-level quantitative information. The Annual Report did not include any information on OAA or CRSS outcomes, (that is impact or direct consequences of the schemes). The results reported were output focussed in terms of number of refugees settled by CRSS groups and number of arrivals using OAA. Reporting for the Community Grants Program essentially related to process measures, for example: participation in planning forums and better service coordination; establishment of migrant support groups; and development of education and training courses and policy submissions.

2.33 Limitations in reporting on outcomes is a consistent theme reflected in all the subsequent chapters of this report. A greater focus on the outcomes of the services being delivered would facilitate and enhance efficient and administratively effective delivery of DIMA migrant settlement services. The ANAO recognises that developing outcome measures is a challenge, especially when some settlement outcomes are only likely to be realised in the longer-term. There may therefore be value in DIMA developing an approach which incorporates interim outcomes, (eg. the length of time involved in settling an entrant). There would also be advantage in examining the prospect of establishing intermediate outcomes as suggested in the Department of Finance and Administration's guidance on implementing the output/outcome approach required under the budgetary arrangements from 1999–2000.

Conclusion

2.34 The ANAO concluded that the Department does not yet have a comprehensive and transparent performance information framework for its settlement services. Limitations in the current planning arrangements for the provision of these services has been a contributing factor since, for example, the plans provide little administrative performance information aligned to assess the contribution of each level of administration to the achievement of sub-program objectives.

2.35 Administrative and external reporting tends to be narrowly focussed, not addressing a full range of relevant measures, and with little progress reporting against targets, plans and standards, and there is very little information available on outcomes. Fuller and more balanced performance information, including a greater focus on the outcomes of the

services being delivered would facilitate efficient and administratively effective delivery of DIMA migrant settlement services.

Recommendation No. 3

2.36   The ANAO recommends that DIMA review its performance information and monitoring framework for settlement schemes to ensure there is an appropriate balance of performance indicators, both quantitative and qualitative, to measure and/or assess outcomes as well as outputs. This should be supported by internal reporting, which provides an appropriate basis for internal management monitoring and review, and decision making, which provide for effective performance reporting to Parliament.

DIMA response

2.37   DIMA agrees with the recommendation and is reviewing performance indicators for Settlement Programs as part of the implementation of output-outcomes budgeting requirements.

Lines of responsibility and accountability

2.38   The two sub-programs relating to settlement services are now delivered by two separate Divisions within Central Office, following the November 1997 restructure. The ANAO found consistent concerns in State Offices visited about the lack of clarity of lines of responsibility and accountability. The recent restructure was seen as causing a degree of confusion amongst State Office staff in relation to roles and responsibilities, with one Branch at State Office reporting to two Divisions at Central Office. At times, messages from the Central Office Divisions were seen as inconsistent.

2.39   The ANAO recognises that two lines of reporting and accountability could lead to some administrative tensions. The concerns identified in this audit emphasise the need for lines of responsibility, accountability and communication mechanisms to be clear, transparent and understood. Addressing Recommendation No.1 (2.16) for an improved planning framework should contribute to reducing the problems identified.

3. Grants Administration

This chapter examines DIMA's administration of the 1997–98 grant application and assessment process which included both CSS and IHSS grants and grant monitoring and reporting arrangements. The ANAO found there was substantial scope to improve the efficiency and administrative effectiveness of the grant application and assessment process, accountability arrangements and reporting mechanisms.

Introduction

3.1 Sub-program 4.3, Settlement and Language Services, delivered settlement services in 1997–98 to 'provide settlement programs for recently-arrived migrants and humanitarian entrants, which complement services directed to all permanent residents'.[5] One such program is the Community Grants Program. The program comprises the Community Settlement Services (CSS) Scheme, addressed in this chapter, and the Migrant Resource Centres (MRCs) addressed in Chapter 4.
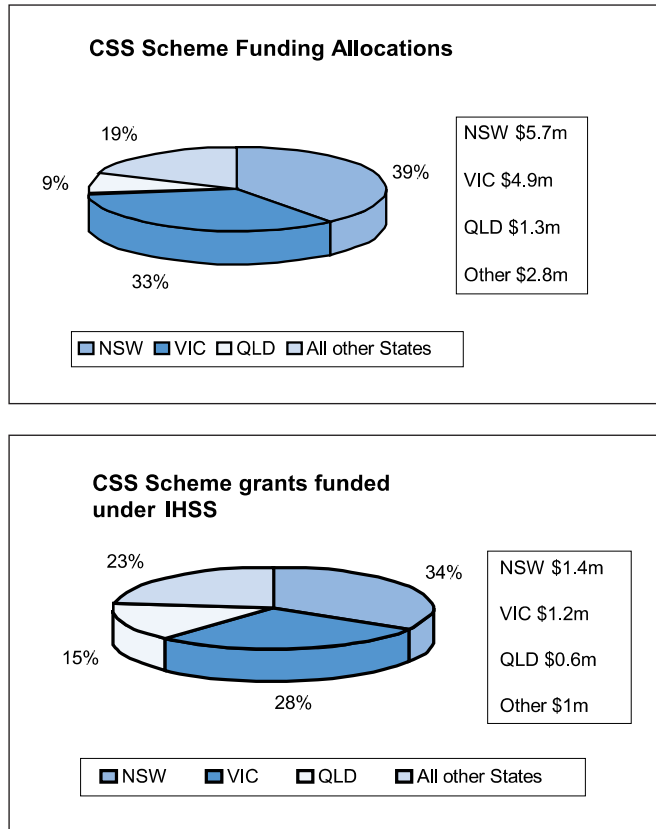
3.2 The CSS Scheme seeks to provide funding for community organisations to initiate and manage services to help successful settlement of migrants, recently-arrived and humanitarian entrants. The size of funding allocations to the States and Territories has evolved over the years and one of the factors considered is the number of refugee and humanitarian entrants in each State and Territory. In 1997–98, $14.7 million was made available through the CSS Scheme.

3.3 The IHSS was a Budget 1996–97 initiative, with funding to commence in the 1997–98 year, to build partnerships with government, community organisations, and the Australian public, to 'facilitate early and effective settlement for refugees and people arriving under the Special Humanitarian Program', and a specialised case management approach for eligible Refugees and Humanitarian Program entrants. As an interim measure some IHSS funds were used in 1997–98 to separately fund appropriate applications from the CSS Scheme grants round. The inclusion of such IHSS funds ($4.2 million) brought the total amount of CSS Scheme grants funding in 1997–98 to $18.9 million.

3.4 Figure 2 shows 1997–98 CSS Scheme and IHSS funding by State/Territory. Appendix 4 shows the number of settlers by State for the period 1992–1997.

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[5] At the start of the 1997-98 round the sub-program number for Community Affairs and Settlement was 7.3 and 3.3 for Humanitarian Settlement. A renumbering of programs/sub-programs occurred during the course of the financial year.

Figure 2
1997–98 CSS Scheme and grants funded under IHSS by State

CSS Scheme Funding Allocations

19%

9%

39%

33%

| NSW $5.7m |
| VIC $4.9m |
| QLD $1.3m |
| Other $2.8m |

☐ NSW ☐ VIC ☐ QLD ☐ All other States

CSS Scheme grants funded under IHSS

23%

15%

34%

28%

| NSW $1.4m |
| VIC $1.2m |
| QLD $0.6m |
| Other $1m |

☐ NSW ☐ VIC ☐ QLD ☐ All other States

Funding arrangements

3.5   Funding under the equivalent of the CSS Scheme dates back to 1968 but has undergone a number of changes. Three types of grants were awarded by the Department under the CSS Scheme and IHSS appropriations in the 1997-98 grant round:

- worker-based: awarded to assist the ethnic and other community organisations to initiate, manage and promote settlement services through the employment of specialist social or welfare workers;

- major project: awarded to improve services to migrants through large-scale projects designed to facilitate the access of migrants to mainstream community services. Each project is funded for an amount up to $50 000 per annum; and

- minor project: a project-based Scheme to improve services to migrants through small-scale projects including target group surveys, purchases of equipment, training for volunteers, production of multi-lingual

information, etc. Each project is funded for an amount up to $10 000 and a period of up to 12 months.

3.6   The Minister for Immigration and Multicultural Affairs directed that the grants funded under the IHSS in 1997-98 should include:

- innovative new proposals that explored new avenues for delivery of material assistance, accessing housing or providing information to entrants and proposers; and

- worker and project based proposals, that were either integral to case coordination arrangements or which complemented/supplemented existing arrangements.

3.7   Allocation of 1997-98 funding for the types of grants under the CSS Scheme and IHSS are indicated in Table 2.

Table 2

Allocation of funding

Type of Grant	1997–98 Elements of the Grants Program	Composition	Funding $m
CSS Scheme	Worker-based Grants	Awards for the equivalent of 261 full-time workers.	12.9
	Project-based Grants	81 major and minor project awards.	1.8
CSS Scheme grants funded under IHSS	Worker-based Grants	42 Worker-based grants	3.4
	Project-based Grants	10 major project grants; and 2 minor project grants.	0.8

3.8   Some of the factors discussed at paragraph 1.16 had considerable impact on the administration of the 1997–98 grant round and included:

- the termination of all grants on 30 September 1997 which contributed to the Department receiving 1100 applications;

- the change in the grant cycle from a three to one year cycle after applications had been submitted for three year grants. This resulted in the grants being assessed against the shorter timeframe; and

- the introduction of the IHSS subsequent to the grant round advertisement of February 1997 which resulted in the inclusion of IHSS funds in the CSS Scheme grants round, increasing the administration workload of relevant DIMA staff.

3.9   The ANAO examined the application and assessment process for a stratified random sample of sixty 1997–98 grant applications to establish the efficiency and administrative effectiveness of the funding strategies, assessment criteria, accountability arrangements and reporting mechanisms.

The 1997–98 Application and Assessment Process

3.10 A key ingredient of a successful grant program is a high level of response from potential applicants, achieved through the use of appropriate and effective promotion mechanisms to increase awareness in target groups. The 1997–98 grant round was promoted through print advertising, a media launch and written advice to all terminating current grant holders. Information sessions were also held in some States and Territories to explain the guidelines and procedures.

3.11 The 1997–98 funding process began with the establishment of funding priorities followed by advertisements in the National and ethnic press in February 1997 calling for grant applications. The closing date for applications was 14 March 1997, with one year grants to successful applicants to be effective from 1 October 1997. Applications were to be assessed by DIMA under the following framework:

- relationship of proposal to identified priority needs;
- relevance of proposal to DIMA's settlement program objectives;
- input from Funding Advisory Committees (FACs)[6];
- perceived viability of the organisation and ability to effectively carry out the work program, including past performance where relevant;
- appropriateness of strategies proposed in the work program; and
- for project-based awards, the strategy proposed for following up project outcomes after the grant period.

3.12 The funding priorities and the involvement of Commonwealth/ State/Territory government agencies through FACs were considered to be key elements of the assessment process.

3.13 The broad framework for the assessment of all the applications in the grants round included a review of the applications, at first the State and then, the Central Office level, followed by a Departmental submission for Ministerial review and decision. Figure 3 (next page) provides an overview of the 1997–98 grant round assessment process.

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[6] FACs are chaired by DIMA. Members include representatives from Commonwealth and State Government funding agencies that have responsibility for settlement and multicultural affairs issues and the delivery of major Government services such as health, housing and labour market training. FACs plays an advisory role, to assist DIMA identify applications that are in line with DIMA program priorities. They are also meant to contribute to the process by identifying gaps and duplication in services and in identifying alternative funding sources.

Figure 3
Grant Round Assessment Process
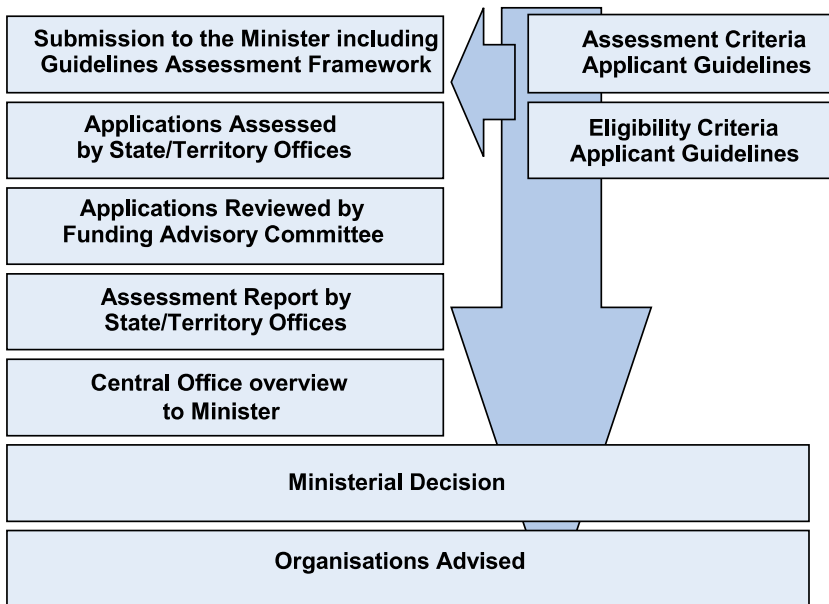
3.14 All organisations awarded funding in the 1997–98 grant round were to work under service or funding agreements to ensure appropriate accountability.

3.15 The ANAO noted that, subsequent to the 1997–98 grant round, the Department conducted a Community Reaction Survey to gain feedback which could be used to review and analyse the process and identify funding priorities and community needs for the 1998-99 grant round. The results of the survey are discussed in the relevant sections of this chapter. DIMA also sought the views of its staff on the grants round as part of its continuous improvement initiative.

Effectiveness of the application and assessment process

Grant Guidelines

3.16 The ANAO found that the Guidelines for Applicants were clear and concise providing the information necessary for a successful submission. The program objectives and criteria for assessment were clearly spelt out, and information about the assessment process and a contact for further advice were included. The ANAO noted that the Guidelines for Applicants did not refer to the Freedom of Information mechanisms available to applicants. It would be better practice to include this in future rounds.

Grant Round Timing

3.17   An indicative grants timetable is set out in the Community Grants Handbook 1996. DIMA Central Office developed and distributed the calendar to all State/Territory offices. Community organisations were informed that final decisions would be made by July 1997. In practice, advice to applicant organisations on the grant round outcome was not sent out until almost six weeks after the announced due date, following the Minister's consideration of the grants. The ANAO understands that there were also delays in 1998 in the completion of the grants round.

3.18   Given the circumstances of the 1997–98 round (para. 3.8 refers), delays were likely. While recognising the difficulties and circumstances that led to the delays, interviews with stakeholders and results of the Community Reaction Survey indicated that delays in the announcement of the 1997–98 awards caused a number of uncertainties for recipients. These concerns were with regard to whether recipients would be able to fulfil the work program on time, and the risk of losing experienced workers, or not being able to recruit appropriately experienced workers.

3.19   Delays in the funding decision not only create risks relating to the quality of service delivery but also create administrative pressures in concluding negotiations with agencies regarding the work programs, service agreements, and recruitment feedback. Some slippages are beyond DIMA's direct control, and the challenge for the Department is both to minimise the risk of slippage, where it can, and to deal with the possible consequences of delay for efficient and effective administration of the scheme.

Achieving the sub-program objective

3.20   Good administrative grant practices seek to ensure program/sub-program objectives are clearly and consistently reflected in funding priorities and guidelines. This enhances assurance regarding appropriate outcomes from grants.

3.21   The sub-program objective states that it is for 'recently-arrived migrants and humanitarian entrants'. However, DIMA advised that the reference to recently arrived migrants and humanitarian entrants was not intended to be exclusionary but to indicate that they are the principal, rather than the sole target group of the sub-program. DIMA further advised that as an element of the sub-program, the Community Grants Program has been administered for many years in line with a much wider and well publicised interpretation that reflected the priority of recently arrived migrants without excluding the unmet settlement needs of long established ethnic communities.

3.22 The ANAO considers that program management and accountability would benefit from greater clarity in the sub-program objective and in its administrative interpretation. This would reduce the risk of inconsistent interpretation and allow the development of better targetted performance information needed to assess whether program outcomes have been achieved effectively. DIMA acknowledged the ANAO interpretation as an issue to be resolved in the context of output-outcome budgetary requirements.

3.23 For example, the ANAO noted that there were inconsistencies in how the Community Grants Program (CGP) objective was expressed in the February 1997 Grant Guidelines for Applicants and the September 1997 Guidelines for those organisations which actually receive funding. The February 1997 guidelines express the CGP objective in terms of improving access of <u>all migrants</u> to Government and other services. However, guidelines issued subsequently in September 1997 clarify the CGP objective by targeting <u>recently-arrived and humanitarian entrants</u>.

National and State Priorities

3.24 The advertised 1997–98 National priorities were as follows:

> *'To assist recently arrived migrants and humanitarian entrants who have demonstrated settlement needs arising from their pre-arrival experiences, and/or the cultural and language difficulties which they face on arrival in Australia. Within this broad target group priority groups (those identified as having the greatest need) include humanitarian entrants, isolated migrants such as the aged and refugee women in difficult situations, and new arrivals who belong to emerging communities'.*

3.25 The National and State funding priorities were key elements of the grants assessment process. This was reinforced by the media release inviting applications which indicated a focus on projects or services to improve the settlement prospects of:

- recently-arrived migrants and humanitarian entrants with demonstrated settlement needs (the National priorities); and
- groups identified as having high priority needs by State/Territory offices of DIMA.

3.26 State priorities were not advertised in the press or included in the guidelines for applicants, but provided to the applicants with the grant application package. The ANAO found the State priorities for two of the three States reviewed were very broad and not necessarily consistent with the National priorities. For example some State priorities include all women, youth, non-English speaking unemployed, all non-English

speaking groups, support services for young people, women and elderly migrants. Further details of 1997–98 National and State priorities are shown at Appendix 5.

3.27 Despite the National priorities being advertised widely, they were frequently secondary to the State priorities when applications were assessed. For example, the ANAO found that one third of the sample of applications examined that were recommended for funding fell fully, or in part, into the broader interpretation by DIMA of its program priorities. That is, meeting the settlement needs of longer established ethnic communities by providing services to people who, whenever they arrived, are still adjusting to the context of Australian society and to its culture and structure. Thus funding for such projects would only partially meet the principal target group with much of the funding meeting the needs of a wider migrant base. The administrative challenge for DIMA is to ensure that the funding appropriately targets the needs of priority groups within the endorsed program objectives.

3.28 The ANAO also found the differences between National and State priorities created confusion in the States about the interpretation of priorities. This was also reflected in feedback from the Community Reaction Survey, which identified perceived inconsistencies between advertised funding priorities and the final outcome.

3.29 DIMA has acknowledged the need to address the relationship between National and State priorities. The Department has advised that in the 1998–99 grant round the applications were assessed against a single set of revised National priorities.

Conclusion

3.30 The ANAO concluded that program management and accountability would benefit from greater clarity in the sub-program objective. This would reduce the risk of inconsistent interpretation by the administration and allow the development of better targetted performance information needed to assess whether program outcomes have been achieved effectively. A proportion of the approved applications examined fell fully, or in part, into the broader interpretation by DIMA of its program priorities. The administrative challenge for DIMA is to ensure that the funding appropriately targets the needs of priority groups within the endorsed program objectives.

3.31 Use of a single set of national priorities for 1998–99 should reduce at least some of this risk. DIMA should also review the alignment between the sub-program objective and internal procedures to ensure accountability for program expenditure in accordance with the stated aim. Following

this review DIMA may need to consider advising its Minister to modify the objective to reflect the breadth of the services provided, or alternatively providing services more related to delivering the government's policy objectives.

Recommendation No 4

3.32 The ANAO recommends that DIMA review the alignment between the Community Affairs and Settlement sub-program objective and internal grant procedures, for advice to the Minister as appropriate, to ensure proper accountability for program expenditure in accordance with stated objectives.

DIMA response

3.33 DIMA agrees with the recommendation and accepts that the sub-program objectives and output-outcome descriptions should be as accurate as possible.

Application and Assessment Process

3.34 Assessment procedures need to provide assurance that Grant applications recommended for funding satisfy the eligibility and assessment criteria (see Appendix 6). The ANAO examination of a sample of applications found that those that were not recommended for funding were appropriately assessed, as the applications either were not consistent with the objectives of the scheme or did not meet the assessment and eligibility criteria. However, the procedures appeared less robust for those that were recommended, as discussed below.

Compliance with DIMA assessment criteria

3.35 Almost all applications examined that were recommended for funding addressed the relevant State priorities. However, the ANAO estimated that for about one quarter of applications in the three states, the information supplied did not meet one or more of the assessment criteria necessary for success, in particular:

- demonstrating the organisation's ability to manage the grant;
- demonstrating past performance in achieving outcomes and satisfying DIMA's financial and program accountability requirements;
- addressing the program objectives in the work program;
- providing follow up strategies for major projects; and
- containing proposed work program strategies which were realistic and appropriate for the target group.

3.36 The ANAO found therefore that there was often insufficient documentation on the files at the State office level to show how the decision to recommend an organisation for funding was derived. Furthermore, there was no evidence on files to indicate that the missing information was provided subsequently.

3.37 The Department indicated that the lack of documentation on the file in some cases may have been due to further awards to organisations which had a history of receiving awards and their operations and capability were well known to the Department. DIMA considers its consultants possess sufficient knowledge to deal with these matters in such cases. However, the practice of not requiring certain criteria to be met for awards to previous grant holders was not made explicit in the published guidelines and was not documented in procedures. The ANAO also found that the use of such knowledge and information not contained in applications, any sensitivity assumptions, and the results of negotiations with the organisations on their applications, were not documented (and therefore not made transparent in recommendations submitted).

3.38 The ANAO concluded that DIMA could improve the gathering of information and documentation of its use in the assessment process to give greater confidence that grant applications were being treated equitably and to provide a more effective accountability trail. The ANAO recognises that the pressures described at para 3.8 would have put a strain on the Department's administrative capacity in 1997–98 and that this may have contributed to the limitations found in the documentation on the files to show how the decision to recommend an organisation for funding was derived. However, good public administration practice requires adequate documentary evidence on file to reflect the basis for recommending a grant in order to provide an appropriate accountability trail, for example to demonstrate that an equitable process has been applied.

3.39 DIMA has redesigned the grant application assessment forms for the 1998-99 Grants round to facilitate provision of more detailed information by applicants. The ANAO considers that DIMA should also tighten its internal procedures in using and documenting this and other information, (such as additional information or discussions with applicants and use of internal knowledge), used in the assessment process. Use of assessment checklists to ensure all required information is obtained and assessed during the assessment process would contribute to improved procedures.

Recommendation No. 5

3.40   The ANAO recommends that DIMA review and enhance its procedures for assessing CSS Scheme applications to ensure that recommendations for funding and supporting evidence are sufficiently documented for review purposes, particularly with respect to assessment criteria and use of information obtained subsequent to the application, in order to provide an appropriate accountability trail demonstrating an equitable process.

DIMA response

3.41   DIMA agrees with the recommendation and is taking up the issues in revised requirements for the next CSS Scheme grants round.

Work programs

3.42   An applicant is required to lodge a work program with each application for a major or a worker-based project. The purpose of the work program is to indicate how the organisation is to address their client needs through planned activities.

3.43   Organisations applying for funding were required to identify in the work program, in general terms, the strategies they were going to use to achieve the outcomes they identified. The applicant guidelines indicated that if funding was approved, a more detailed work program may be required to be developed in conjunction with the Department.

3.44   The ANAO found that work programs submitted with the applications were generally weak. However, DIMA invested considerable effort in negotiating renewed work programs subsequent to grants being approved, with the result that the majority (some 80 per cent) of approved work programs contained appropriate and achievable outcomes that were linked to the strategies. Nevertheless, the ANAO considers that there remains scope for the Department to enhance the quality of the work program for the remaining applications. Setting clear minimum standards for approval of work programs would assist in identifying those requiring further work.

3.45   The ANAO also found, consistent with the differences between some State and National priorities discussed at paragraph 3.27, that some 40 per cent of the work programs examined addressed fully, or in part, the broader interpretation by DIMA of its program priorities, that is meeting the settlement needs of longer established ethnic communities by providing services to people who, whenever they arrived, are still adjusting to the context of Australian society and to its culture and structure.

Grants received which were not applied for

3.46   The ANAO found that some organisations, which applied in the 1997–98 grants round, were awarded grants for projects that were not applied for, or the grants awarded had changed significantly in scope from the application. One example related to a MRC that had applied for a worker-based grant to target three ethnic communities. The grant was awarded although one of the three ethnic groups had been changed to another, without consultation with the MRC. The reason for the change in the scope of the grant was not well explained in DIMA State Office documents. This may explain why discussion with the MRC indicated that the reasons for the change were not adequately communicated to the MRC. Further, the MRC was not well prepared and was required to make arrangements in considerable haste, putting at risk the effective achievement of required outcomes.

3.47   The ANAO understands that the Department may need to change the scope of a grant to reflect the emerging priorities of the Government, and that ultimately it is the Minister's decision to offer a grant to meet an identified need. Where this happens, DIMA should ensure that, as far as possible, the recipient body is in a position to deliver the services necessary to achieve the required outcomes. Early and effective communication about the nature of the scope change or unexpected grant award would help achieve this.

3.48   The Department should also ensure that it makes clear in application guidelines and information sessions that the Minister for Immigration and Multicultural Affairs retains the flexibility to determine the nature and scope of the grant, in order to ensure that applicants fully understand that this is the case. DIMA advised that it is including appropriate wording in the next version of the *Guidelines for Applicants*.

DIMA Grant Consultants

3.49   Grants are monitored, administered and supported on a day-to-day basis by DIMA State/Territory settlement staff, referred to as 'Community Grants Consultants'. The role of the consultant is to act as the liaison point between DIMA, funded organisations, government and other service agencies, and to monitor, administer and support the grants to ensure that accountability requirements are met and maximum value is gained from each grant.

3.50   Contract management skills and an effective contract management support structure is therefore necessary for effective program outcomes.

Community Grants Handbook

3.51   A Community Grants Resource Handbook (the Handbook), was first released in March 1996 to provide a comprehensive guide for staff involved in the day-to-day administration of DIMA's Community Grants Programs. The ANAO found that the Handbook in general provides appropriate information, guidance and contextual information for consultants. However, there were some areas that required updating. For example the Handbook did not cover some significant changes to the application and assessment processes, structure of the Community Grants Program and the new service agreements.

3.52   DIMA acknowledged that the Handbook required some revision in some areas, although it emphasised that administration circulars were issued to provide updates in critical areas. The ANAO considers maintaining an up-to-date Handbook will more effectively support consultants work and avoid the need to invest resources in a comprehensive review and update at a later stage.

Consultant training

3.53   The ANAO found that the grant consultants had a good understanding of their roles and responsibilities in regards to the grants. The majority of consultants had gained their experience on the job. With the recent changes to the MRC Service Agreements and the proposed changes to the CSS Scheme Service Agreements, the consultants identified a need for training in contract management focusing on outcomes.

3.54   The Department indicated that its job selection and induction processes seek to ensure that consultants have the necessary skills. However, the Department also acknowledged that the many changes in 1997 had placed pressures on staff skill sets, in particular where staff were transferred to consultants positions as a result of the 1997 restructure. In the ANAO's view some of these skills necessary for managing the grant service agreements are similar to contract management, and the experience of other agencies is that appropriate skills training is critical to successful outcomes.

Conclusion

3.55   The ANAO concluded that development of the Handbook had contributed effectively to administration of the grants program, although it needs to be kept up-to-date to ensure its effectiveness. There is also a need for strengthened skills development support for consultants. This can be achieved through an appropriately structured training strategy to ensure they have the skills necessary for effective management of grant service agreements. Training could be provided on aspects such as

documentation required for monitoring grants, interpretation and management of service agreements, monitoring accountability statements and the provision of advice to agencies to support improved grant management.

Recommendation No. 6

3.56   The ANAO recommends that DIMA strengthen the support available to their Grant consultants in managing their relationship with funded organisations by:

- ensuring the Community Grants Resource Handbook is up-to-date; and

- implementing an appropriate training strategy for grant consultants.

DIMA response

3.57   DIMA agrees with the recommendation and is implementing it.

Monitoring and reporting

3.58   Appropriate monitoring and reporting processes are fundamental to ensuring that the objectives of the sub-program are being achieved effectively. This was reinforced by the Minister for Immigration and Multicultural Affairs who announced that 'the Government will demand a high level of accountability be applied to organisations receiving taxpayer-funded grants, to ensure that measurable outcomes are achieved.'

Performance Monitoring

3.59   Regular monitoring of grants reduces the risks associated with grant programs including:

- recipients not being able to complete the project effectively;

- the use of grant funds for purposes contrary to the terms and conditions of the funding agreement; and

- the competence of the recipient which could adversely affect their ability to carry out or complete the relevant work or project[7].

3.60   For the CSS Scheme grants, (including those funded under IHSS), the frequency of review needs to be determined by the size and sensitivity of the grant and the type of project.

3.61   In 1997–98 grant recipients were required to provide the Department with:

- a six monthly progress report within the currency of the service agreement due by May 1998 or on request by the Department;

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[7]   ANAO Administration of Grants Better Practice Guide May 1997

- an Annual Work Program Review which outlined the achievements against the agreed work program, by mid November; and

- a final report on termination of the grant.

3.62   The Department provided CSS organisations with guidance on reporting requirements, including the format to be used.

Effectiveness of the performance monitoring and reporting

3.63   DIMA advised that the current grant monitoring and reporting cycle was designed for a three year cycle and that the shift towards a twelve month cycle had made monitoring difficult. The ANAO found that, in practice, the grant monitoring requirements were not being followed, for example:

- for all the three States visited, the six monthly progress reports were being received after the due date (May 1998) and some were still not submitted at end June;

- there was no evidence to indicate that the information in the six monthly report was reviewed, nor that timely feedback was provided to the grantees on their performance, (for example feedback on crucial adjustments to work programs to meet essential objectives); and

- although State/Territory Offices indicated that they undertook visits to the grantee organisations, this was not undertaken in a structured or risk managed way, with some consultants addressing an agency only when a problem was imminent. The ANAO found that these visits were often not documented.

3.64   DIMA acknowledged these difficulties in effectiveness of its monitoring arrangements, and also that the twelve month report (the Annual Work Program Review) was of limited value as it was not received until after the funding decision for the next cycle had been made.

3.65   The ANAO recognises that DIMA had considerable work pressures during the year. However, DIMA's monitoring of the grants was ad hoc and not reliable, reducing assurance of appropriate outcomes for expenditure.

3.66   State/Territory offices collate reports provided by grantees and provide an overview to Central Office. The ANAO found that the report provided to Central Office was largely output focussed, did not report against targets or standards and provided little information on outcomes in relation to the grants program. The data did not identify the degree to which program priority groups were serviced. Many DIMA staff expressed the view that the information contained was of limited value because of these weaknesses.

3.67   DIMA has indicated that it recognises the need to develop processes to measure outcomes, particularly in light of the shift towards an accrual-based framework in 1999–2000. It is currently considering the possibility of developing a community network system which is aimed to improve settlement information delivery, enable sharing of settlement planning data and enhance access to performance information.

Conclusion

3.68   The ANAO acknowledges that the twelve month grant cycle had an adverse impact on grant monitoring processes. However, monitoring of grants was very limited compared with requirements, as well as being ad hoc and not reliable, reducing assurance of appropriate outcomes for expenditure. DIMA should review its reporting arrangements to ensure they are effective. A risk managed approach to monitoring would help address some of the workload pressures, and provide greater assurance on achievement of objectives.

3.69   The ANAO also concluded that the reports prepared by DIMA on grant results were largely output focussed, did not include information against targets or standards or address servicing of priority groups and provided little information on outcomes in relation to the grants program. The ANAO considers that any review of reporting requirements should address how information can be provided by groups for more effective performance reporting. There may also be value in DIMA setting outcomes at a range of levels.   The high level outcomes could address the longer term impacts on the community, while lower level intermediate outcomes could provide more direct consequences of resources invested in a shorter period.

Recommendation No. 7

3.70   The ANAO recommends that DIMA review monitoring and reporting processes for the CSS Scheme with a view to ensuring that:

• grant monitoring procedures are adhered to;

• grants are monitored on a risk managed basis with timely analysis of reports and feedback to grantees on performance; and

• information being provided by recipients supports output and outcome measurement, and/or assessment, including for services to priority groups.

DIMA response

3.71   DIMA agrees with the recommendation and is reviewing reporting requirements under the CSS Scheme with a view to altering Service Agreements and Guidelines.

Financial monitoring

3.72   The service agreement indicates that payments of any instalment of the contract price is conditional upon work program objectives being met. The Commonwealth is entitled to delay payments until the funded organisation has completed to the satisfaction of the Commonwealth the contract service.

3.73   The ANAO found that while payments were made on a quarterly basis, these were not linked to budget/work program targets. Therefore, it was difficult to establish, for some long term projects, the extent to which payments were consistent with the degree of achievement of work program objectives. The ANAO found that DIMA officers were not clear on the procedures to be followed when there is breach of the service agreement. The Handbook does not provide guidance on this matter.

3.74   Effective financial monitoring provides a high level of assurance that grant funds are expended in accordance with the terms and conditions of the service agreement. The ANAO considers that better linking of payments to work program milestones/objectives would provide for a more effective mechanism to ensure accountability for performance.

Recommendation No.8

3.75   The ANAO recommends that DIMA link CSS Scheme grant payments to work program milestones/objectives to provide greater accountability for expenditure of grant funds.

DIMA response

3.76   DIMA agrees with the recommendation that payments should be related to milestones and/or objectives and will seek to effect the intention of the recommendation in the next CSS Scheme grants round.

4. Migrant Resource Centre Scheme

Introduction

4.1   The Migrant Resource Centre (MRC) Scheme forms part of the Community Grants Program and involves government, volunteers and the community working together to facilitate the participation in the community of people from different cultural and linguistic backgrounds and to maximise the benefits of cultural diversity for the community. MRCs offer multilingual information, advice and referral services and develop specific services for migrants to meet local needs.

4.2   MRCs also obtain additional funding from other Commonwealth and State agencies to provide services on behalf of those agencies. However, the MRCs generally receive a significant proportion of their funding from DIMA, which is the only government body to provide a contribution towards core-funding of Centre operations. MRCs can also apply for grant funding under the CSS Scheme.

4.3   Most MRCs are incorporated associations under State or Territory legislation; some are incorporated companies. The operation of the individual MRC is the responsibility of an annually elected management committee of community volunteers. A salaried coordinator is responsible for the day-to-day management of the MRC and the team of salaried staff.

4.4   In 1997–98 DIMA provided some $8.3 million to fund a national network of 32 MRCs and three MRC outreach centres across Australia. The distribution of MRCs across Australia and their funding allocations in each of the States for 1997–98 are shown in Figures 4 and 5.
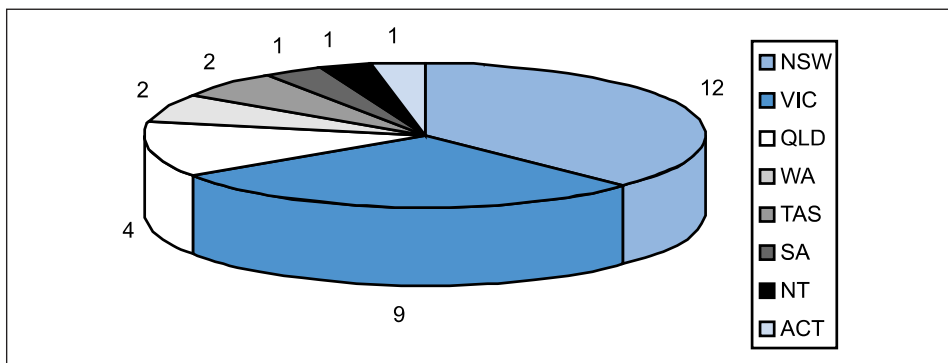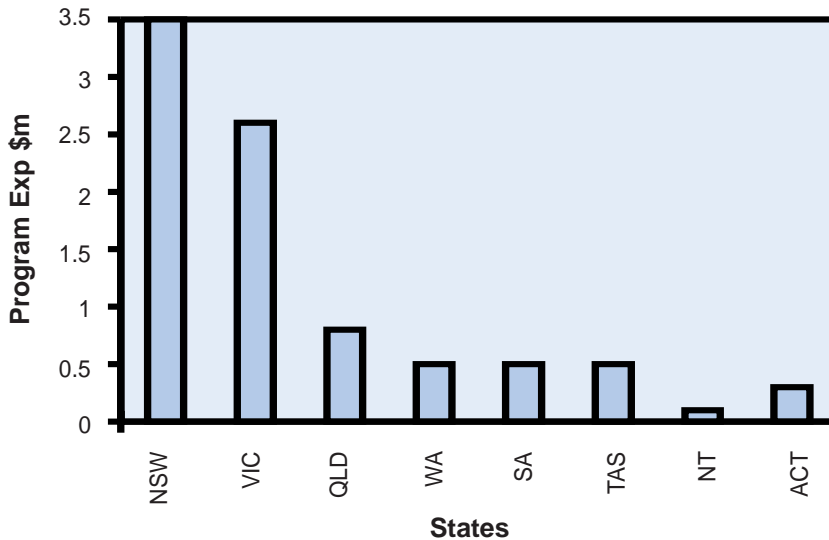
Figure 4
Distribution of MRCs for 1997–98

Figure 5
DIMA Program Expenditure for MRCs for 1997–98

DIMA's role

4.5   DIMA provides funding to the MRCs which is a subsidy towards Centre operational expenses and for the delivery of an agreed work program, the funds being applied as shown in Table 3.

Table 3
MRC Core funding

Core funding components	As a proportion of total DIMA funding %
salaries and on-costs	69
rent and rates	14
operating costs	16
capital equipment/extraordinary expenditure	<0.5
	100

4.6   The close relationship DIMA has with MRCs is reflected in the current 1998-99 MRC Service Agreement with the Department being responsible for, among other things:

• if the Centre requires, providing assistance with the development and formulation of the Work Program; and

• providing reasonable training to the Centre Management Committee and/or staff on any matters relating to the Centre's obligations under relevant clauses of the Service Agreement.

4.7   In addition, the Department has an ongoing monitoring role in relation to ensuring compliance with the MRC's service agreement.

Developments to improve MRC service delivery

4.8   Since their establishment following the *Review of Post Arrival Programs and Services* (*The Galbally Report*) in 1978, MRCs have undergone several reviews. In a move to place greater emphasis on program accountability, DIMA replaced Funding Agreements with Service Agreements in 1997.

4.9   In 1996 the Government foreshadowed its desire for new directions for the MRC network, particularly in terms of strengthening outcomes for clients and improving accountability, responsiveness and professionalism in MRC management. This was followed in July 1997 by a Departmental discussion paper, *MRC Future Directions*, and subsequent consultation with the MRCs and submissions from stakeholders. Following the consultations the Government announced changes to facilitate the MRC's capacity to service their clients, and to improve their accountability and management. This included a revised mission, role and function statement and a revised Service Agreement.

4.10   The new Service Agreement was implemented from 1 July 1998, with 28[8] MRCs signing up to the new agreement. The main areas in which it varies from the previous agreement are that the agreement:

- more clearly identifies the four major MRC functions: service delivery, service development, community development, and management of its operations;

- provides for more effective and accountable management;

- contains well-defined conflict and dispute resolution procedures; and

- incorporates the work program as a Schedule to the Service Agreement and makes ongoing funding conditional upon MRCs satisfactorily completing identified milestones in the work program.

4.11   DIMA considers that the new Service Agreements provide for better management of DIMA funded community based settlement services through ensuring that both parties to the agreement have a clear understanding of their respective roles and responsibilities. However, in the event of situations arising whereby MRCs fail to deliver the agreed Work Program, the Service Agreement provides for the Department to take action that may result in suspension or termination of the agreement. Under the new Service Agreement the 'triggers' are directly linked to unsatisfactory performance of the work program. Clearer dispute

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[8]   Two MRCs in New South Wales operate under four-year Funding Agreements running until 25 March and 12 April 2000 respectively. Federal funding to two MRCs in Queensland was terminated in March 1998 and July 1998 respectively.

resolution procedures will allow the Department to intervene earlier and renegotiate work program or suspend or terminate where necessary.

4.12 Against this background, the ANAO aimed to establish whether:

• DIMA will be able to implement the new service agreement effectively;

• the new service agreement will provide an appropriate accountability framework; and

• whether the monitoring and reporting processes will be adequate and ensure the program will be effectively administered.

Implementation of the new Service Agreement

4.13 Ministerial letters were sent out in April 1998 to all the MRCs with feedback on the *Future Directions* process and how the recommendations of the review were to be progressed in the new Service Agreements. In May 1998, briefing sessions were arranged for MRC Management Committee members and staff. The sessions included a presentation on legal responsibilities of the Management Committee and the staff under the new Agreement. Following these briefings, DIMA consultants conducted individual briefing sessions with the MRCs in June 1998 to draft work programs.

4.14 The ANAO noted that, in early May 1998, DIMA Central Office provided a detailed set of information notes on the new work programs to all the State Offices. The purpose of these notes was to assist the DIMA consultants in developing work programs. The ANAO considers this to be a positive initiative.

4.15 Implementation of the new Service Agreement was undertaken in a hurry to bring it into effect from 1 July 1998 for the 1998-99 grant round. State Offices indicated that this occurred at a time when they had limited resources. DIMA consultants were not provided with structured training prior to proceeding with the development of the work programs for the MRCs.

4.16 The challenges of the new agreement, involving substantial changes in the relationship of DIMA to MRCs, suggest that structured guidance, support and skill development of staff are required to ensure the agreement's effective operation. The ANAO was advised that DIMA is planning to replace the 1996 MRC Guidelines with a handbook for MRC consultants which will set out in detail the arrangements under the new framework. The ANAO was advised that, in the meantime, Central Office is providing regular guidance to State Offices.

4.17 The Agreement specifies that the Department is to provide reasonable training to the Centre's management committee and/or staff

on any matters relating to the Centre's obligations under this Agreement and at law generally. The MRC management committee and staff were included in the initial briefing sessions provided to discuss the contents of the agreement. DIMA has advised that it has set aside funds for 1998-99 to meet its training commitments. However, DIMA had not yet developed a national training strategy to help it cost effectively achieve its objective in this area.

4.18 Since the audit work was undertaken, DIMA has indicated that it has sought to identify the key learning needs of MRC management committee members and core-funded staff.

Conclusion

4.19 DIMA put substantial effort into implementation of the new Service Agreement by 1 July 1998, including briefings to MRC management committee members and staff, and to DIMA staff. DIMA has yet to complete its planned development of structured guidance for DIMA consultants in the form of a handbook. The challenges of the new agreement, involving substantial changes in the relationship of DIMA with MRCs suggest that such guidance will increase the likelihood of achieving the anticipated improvements in management and accountability for performance under the new agreement and that completion of the handbook should be a priority.

4.20 Equally, an appropriate training strategy in support of DIMA's obligations under the Service Agreement for training of MRC management committee and staff will increase the likelihood of achieving cost-effective outcomes from the new Agreement.

Recommendation No. 9

4.21 The ANAO recommends that DIMA develop an appropriate strategy in support of its obligations for training of MRC management committees and/or staff.

DIMA response

4.22 DIMA agrees with the recommendation. To fulfil the training requirements specified in Service Agreements, DIMA Central Office undertook consultations with the State/Territory Offices (STOs) during September/October 1998 so as to identify the key learning needs of MRC management committee members and core-funded staff. The needs analysis is guiding development of national program training objectives.

The new Service Agreement

4.23   The new Service Agreement appears to be a substantial step forward in managing DIMA's relationship with MRCs and provides a stronger and improved accountability framework. The ANAO's discussions with MRCs indicated that they were generally supportive of the new Service Agreement.

4.24   The MRCs received their first quarterly payment for the financial year 1998-99 on signing up the new Service Agreement, further payments for 1998-99 will be linked to the completion of milestones specified in the work program. These milestones address service delivery and settlement outcomes and improved management of Centre and accountability.

4.25   DIMA advised the ANAO that the renewal of the agreement will involve evaluation of the whole work program and therefore will require reporting on outcomes and that this has been conveyed to MRCs. However, this is not specifically mentioned in the Service Agreement. The ANAO considers it is better practice to have included the reporting requirements in relation to the evaluation of the entire work program in the Service Agreement itself, to ensure implicit obligations are fully appreciated.

Monitoring and reporting

4.26   Effective monitoring and reporting of service agreements ensures that the funds are used in accordance with the agreement and that the objectives of the program are being met. In principle, under the old agreement there were structured monitoring and reporting processes, which included requirement for a work plan, monitoring of MRC's financial performance, and an annual review of each MRC's work plan. Some elements were similar to the new Agreement, as is demonstrated in Appendix 7, which compares monitoring and reporting processes for the 1997–98 and 1998-99 agreements. However, DIMA advised that there were some practical difficulties which limited its capacity to effectively monitor MRC's performance under the old agreement. For example, DIMA considers that the new Agreement provides more efficient and clearly set out dispute resolution mechanisms. It also attaches payments to measurable milestones, the work program is simplified and formulated in terms of more measurable service outputs, and there is clear identification of responsibility of all parties concerned.

4.27   The ANAO examined administration of the monitoring and reporting requirements in 1997–98 to identify lessons for DIMA's administration of the new agreement.

Monitoring

4.28   The ANAO found there were a number of weaknesses in administration of monitoring processes under the old agreement. For example, the MRC management committee meetings were not regularly attended by DIMA staff, either because these meetings were outside normal office hours or because DIMA considered it was sufficient to receive the reports that were submitted at these meetings.

4.29   Furthermore, many consultants found their role in providing advice and assistance on settlement issues hampered their ability to objectively monitor the performance of the MRCs.

4.30   The ANAO reviewed files of MRCs whose funding was recently terminated. We concluded that some significant problems were apparent far earlier than was acknowledged and acted upon. Recommendations by State Offices in respect of further funding applications did not always reflect the difficulties being experienced in a MRC.

Reporting

4.31   MRCs supplied six monthly client service reports containing data on the number of information and referral services for program information and accountability purposes. The ANAO found that the reports were generally not submitted on time. Furthermore, State Offices found most reports of little value in managing the agreement with the MRC. For example, the data could not be verified and the client service results did not distinguish multiple services to the same client, so the number of clients helped could not be identified.

4.32   MRCs also indicated that they would have appreciated feedback on the reports provided to DIMA, but this had not occurred. Under the new Agreement the Department is required to provide regular oral and written feedback to MRCs on their performance and on all reviews and evaluations that it undertakes.

4.33   DIMA has indicated that it is reviewing its reporting requirements to make reporting more effective for program management purposes. It anticipates introducing revised reporting arrangements for MRCs in 1999 which will result in better quality data, including capacity to report on numbers of clients serviced, and facilitate timely provision and more effective use of data for monitoring and feedback purposes.

Conclusion

4.34   Administration of the reporting and monitoring arrangements under the old Agreement were in practice weak. The new Service Agreement provides a framework for, inter alia, improved monitoring and

reporting. Under the new Agreement MRC payments are attached to milestones which are measurable, the work program is simplified and formulated in terms of more measurable service outputs, there is clear identification of responsibility of all parties concerned and the agreement clearly specifies the dispute resolution mechanisms.

4.35 However, there are lessons from the limitations identified by the ANAO in DIMA's administration of the old service agreement. Many of the weaknesses observed by the ANAO were not so much in the arrangements themselves, but in the consistency and efficacy with which they were applied, as well as in the quality of data supplied by MRCs and the use made of it. There is a need for an improvement in its administration of monitoring and reporting, compared with past practices, if DIMA is to achieve the benefits it is seeking under the new Service Agreement. DIMA should also consider the concerns expressed regarding quality of data in MRC reports as part of any review of performance information (see Recommendation 2). DIMA has indicated that it is now reviewing MRC statistical reporting arrangements and anticipates introducing revised arrangements in 1999.

5. Humanitarian Settlement

This chapter addresses the administrative effectiveness and efficiency of On-Arrival Accommodation (OAA) and the Community Refugee Settlement Scheme (CRSS), which are the main elements of DIMA's Humanitarian Settlement Program. DIMA is currently in the process of reviewing its policy in relation to provision of humanitarian settlement services to refugee and humanitarian entrants. The ANAO's findings in relation to the current administration of OAA and the CRSS is expected to assist DIMA in formulating its future directions.

Introduction

5.1   The objective of the Humanitarian Settlement sub-program for 1997–98 was to 'to settle refugee and humanitarian entrants by providing specialised services, which complement those directed to all Australian'[9]. Humanitarian settlement services were introduced in recognition of a need to provide specialised services to refugee and humanitarian entrants who come from refugee camps or a precarious and often deprived time in a country of first asylum having experienced considerable trauma and dislocation, often over a protracted period. Many come from fundamentally different cultures and standards of living and some have been tortured.

5.2   There are four categories of entrants under the Government's Humanitarian Program:

- Refugee: those people outside their home country who are subject to persecution in that country—includes emergency rescue and women at risk;

- Special Humanitarian Program (SHP): those people who are outside their country of nationality or usual place of residence and have experienced substantial discrimination amounting to a gross violation of human rights;

- Special Assistance Category (SAC): those people with close family or community links to Australia who are in particularly vulnerable situations but do not meet the criteria of other categories; and

- Onshore Protection Visa holders: those people who are found to meet the United Nations Convention definition and meet Australia's health and character requirements—includes those people released from Immigration Detention Centres (IDCs) in Australia.

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[9]   Objective as for program structure introduced in November 1997.

5.3   Almost half of the Humanitarian program in-take receive assistance from their proposers[10], generally family members but often recently arrived humanitarian entrants. These entrants go straight into the community. Specialist settlement services are available to the other eligible Refugees and Humanitarian program entrants[11] under:

- the OAA program; and

- the CRSS.

5.4   Eligibility to specialist settlement services is dependent on the category of visa held. The DIMA overseas posts are responsible for deciding the destination of all eligible refugee and humanitarian entrants. In practice, OAA is made available to those without links or contacts in Australia and who have no alternative option such as accommodation arranged by a proposer or a CRSS group. CRSS entrants whose on-arrival arrangements have broken down and who require settlement assistance are also eligible to use OAA for up to four weeks. It is also the overseas post which undertakes an assessment of the entrant's need for the CRSS, which has broader eligibility requirements than OAA.

5.5   One of the consequences of the current arrangements is that those who go straight into the community or to a proposer do not get the same targeted assistance as OAA or CRSS entrants. DIMA has indicated that it intends to address better targeting through clearer eligibility for particular services based on relative need.

5.6   In addition to OAA and the CRSS, DIMA manages the Commonwealth/State cost sharing program for refugee minors without parents in Australia and the Clothing Reimbursement Scheme[12]. These settlement programs are additional and complementary to other settlement programs funded by DIMA such as AMEP, the TIS and the CSS Scheme.

Integrated Humanitarian Settlement Strategy (IHSS)

5.7   The IHSS was developed in 1997 to take a more holistic approach to settlement services for humanitarian program entrants and aims to 'build partnerships with community organisations, recognising the mutual interests of Government, community organisations, and the Australian public, in facilitating early and effective settlement for Refugees and Humanitarian Program entrants'. Some of the IHSS funds were channelled

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[10]   A proposer is someone who identifies a person for humanitarian settlement, especially with a view to providing settlement assistance after the entrants' arrival in Australia.

[11]   Eligible Refugees and Humanitarian program entrants include (1) Onshore Protection Visa holders released from IDCs, and (2) Refugee and SHP entrants.

[12]   The CRS provides Refugees and Humanitarian Program entrants in OAA in needy circumstances with essential clothing to cater for their immediate and basic needs.

in 1997–98 through the CSS Scheme grants process to purchase certain services.

5.8 Elements of the strategy include:

- a specialised case management approach for eligible Refugees and Humanitarian Program entrants;
- improving the quality of information to people who offer to support Humanitarian Program entrants settling in the community;
- training and equipping volunteers, particularly in the CRSS; and
- increasing the level of material assistance available to help eligible entrants set up their first household in Australia either with assistance from CRSS groups or after leaving OAA.

5.9 The IHSS case management will provide an early assessment of the needs of an individual or of family members which, in turn, will form the basis for eliciting timely and appropriate responses from relevant service providers through 'case coordination'. Under IHSS, access to case management will be available not only to refugees but also to humanitarian entrants (ie not just those who are OAA and CRSS entrants) based on a needs assessment. Development of a database will focus on the information required to best target services and to monitor outcomes and service effectiveness.

Current review of humanitarian settlement

5.10 DIMA is currently in the process of reviewing the mechanisms for the provision of humanitarian settlement services as part of implementing IHSS. Subsequent to the ANAO fieldwork, DIMA developed a paper for presentation at the National Humanitarian Settlement conference which explores possible future directions for the provision of settlement services. The paper dwells on a number of other issues which include:

- the principles which should guide the provision of these services;
- the strategies to meet the special needs of refugee and humanitarian entrants;
- the need for early health intervention through needs assessment and referral;
- program management; and
- performance measurement.

5.11 The rest of this chapter addresses administration of the OAA and the CRSS. The ANAO considers that the results of this audit examination should also assist DIMA in providing more administratively effective and efficient administration of any future similar schemes/grants.

On-arrival accommodation

5.12 The OAA scheme was first introduced in the mid-1980s and provides initial, short term, subsidised, accommodation in self-contained flats for up to 13 weeks (or 26 weeks in cases of hardship). After this period the new arrival is expected to move into private accommodation in the community and may receive assistance to do this through the Department's Rental Rebate Scheme[13]. The first week in OAA is free for all tenants eligible for subsidised accommodation. From the second week and for the remainder of their stay in OAA, eligible tenants are charged a subsidised tariff equivalent to 30 per cent of their Social Security benefit.

5.13 To manage the OAA scheme DIMA owned/leased 276 flats as at 30 June 1998, located in Sydney, Melbourne, Brisbane, Adelaide and Perth. The flats are furnished and equipped by DIMA.

5.14 OAA residents are received at the airport and transported to their accommodation. Support services to OAA residents are provided by DIMA settlement officers and by a variety of community and other organisations involved in the case coordination process in each State. These case coordination services include linking residents to Centrelink, Medicare, banks, torture and trauma counselling services, Adult Migration English Service, State Housing authorities and so on.

5.15 There were 2 457 arrivals under the OAA program in 1997–98. Figure 6 shows the OAA arrivals analysed between Refugee and SHP entrants, IDC releases and the CRSS. DIMA's gross OAA program expenditure for 1997–98 was approximately $4 million, with approximately $966 000 received in rental income from tenants. DIMA advised that while it can provide details of administrative expenditure for the humanitarian settlement function in relation to each of its offices, it is not currently attributed to each of the services examined as part of this audit such as OAA.

Contract management

5.16 In March 1995 DIMA entered into a national contract for the provision of property management and ancillary services for OAA, since extended to 30 September 1999. The ANAO examined DIMA's management of OAA to establish whether the OAA contract management framework ensured that the overseeing and monitoring responsibilities for the contract were clearly defined and implemented, and that contract management staff possessed appropriate skills.

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[13] The Rent Rebate Scheme was introduced in 1995 and replaced an earlier interest free revolving loan scheme. Under this scheme ex-OAA residents are entitled to a rebate equal to the last four weeks rent they paid while they were in OAA.

Figure 6
Category of OAA Arrivals in 1997–98

OAA Arrivals

Refugee
and SHP
58%

CRSS
17%

IDC
25%

☐Refugee ☐CRSS ☐IDC
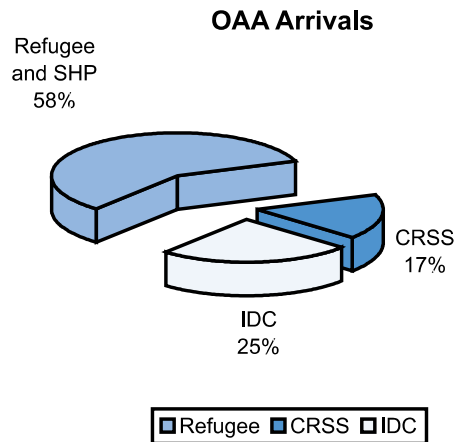
Contracted services

5.17   The contract provides for a range of services, including management of DIMA's portfolio of residential accommodation and its occupancy. It also includes support services such as reception of OAA arrivals, transit passengers and releases from the IDC, as well as CRSS arrivals not met by their support groups. The contractor is also responsible for collecting rent and utilities payments. The contract specifies required performance criteria for the contractor. The ANAO found that Central and State Offices were generally satisfied with the level and quality of services being provided by the contractor.

Contract management meetings

5.18   Under the review and reporting arrangements of the contract, the contractor and the Department have to conduct joint evaluation meetings on a monthly basis in each State and on quarterly basis at a senior management level.

5.19   The ANAO observed variation in contract management practice with respect to these meetings. While all three States visited indicated that they were dealing with the contractor on a daily basis on issues relating to service delivery, only Queensland held the monthly meetings with the contractor required under the contract.

5.20   Furthermore, the required quarterly meetings were not being held regularly at senior management level to address contract management issues on a national basis. Instead, DIMA indicated that it communicated with the contractor largely on an informal basis. DIMA acknowledged

that contract management had been set back from early 1998 due to loss of corporate knowledge, but has indicated that the quarterly meetings have resumed.

Monitoring contractor reports

5.21 The contractor is required to provide DIMA State and Central Offices with a monthly financial report which include:

- details of expenditure and receipts;
- all monies paid in rent rebate to the refugee or humanitarian entrant;
- rent collected; and
- outstanding debtors.

5.22 The ANAO found there was no systematic process to monitor the monthly reports provided to DIMA State and Central Office and that staff were unclear about contract management procedures. Monitoring practices varied in each of the States visited, ranging from reviewing these reports on a regular basis to not reviewing them at all. In two of the three States visited there was no evidence to indicate a systematic approach to verifying and reconciling information relating to expenditure, rent and outstanding debtors.

5.23 The ANAO considers that, without reports being monitored on a regular basis, there is no assurance of the accuracy, validity and reliability of the information provided. This in turn limits assurance that the contract is being implemented effectively and efficiently.

Contract management support and training

5.24 Some of the limitations observed in formal contract monitoring and liaison may result from the fact that there is not a clearly articulated framework for OAA contract management. While DIMA provides some guidance to State/Territory staff on contract management through internal minutes and electronic mail, there are no consolidated contract management guidelines to assist staff.

5.25 The decentralised nature of the services provided under the OAA contract, combined with the inconsistent monitoring and liaison observed by the ANAO, suggests that more support for staff is needed to achieve effective contract management. Guidelines providing broad directions on the role and responsibility of the State/Territory offices in monitoring the contract would promote more consistent contract management procedures and contribute to effective service delivery. DIMA has acknowledged the value of such guidance.

5.26 Effective contract management skills are also critical to successful outcomes from OAA. The ANAO found that State and Central Office staff had not received formal training in contract management. The ANAO considers that the lack of training, in the absence of consolidated guidance and procedures, increases the risk to achievement of good contract outcomes.

Conclusion—Contract Management

5.27 Overall, DIMA was satisfied with the services provided by the contractor.

5.28 However, the ANAO found aspects of contract management by DIMA to be deficient for the OAA. Staff were not clear about contract management procedures and the required contract management meetings were not being held regularly. There was no systematic process to ensure effective monitoring and verification of the reports provided by contractor, including those relating to expenditure, rent and debtors, resulting in one State not reviewing the reports at all.

5.29 The ANAO concluded that current contract management practices are not sufficient to ensure efficient and effective management of the gross expenditure of some $4 million per annum on OAA. The contract was recently extended to 30 September 1999. DIMA should ensure that there is a comprehensive contract management framework in place to provide greater assurance of efficient and administratively effective outcomes from such contracts. This framework should include development of appropriate guidance outlining Central and State Office responsibilities in relation to the contract and the need to apply the responsibilities appropriately, and incorporate the provision of associated contract management training.

Recommendation No. 10

5.30 The ANAO recommends that DIMA:

- develop comprehensive contract management guidance for staff managing the OAA contract, including identifying specific responsibilities for contract monitoring, oversight and reporting; and

- ensure staff are provided with relevant contract management skills through relevant training where appropriate.

DIMA response

5.31 DIMA agrees with the recommendation.

Administration of OAA

5.32 The ANAO examined DIMA's administration of OAA to establish whether processes facilitated efficient and effective outcomes.

OAA policy and procedures

5.33 The ANAO found there was no consolidated policy and procedures documentation of the OAA processes at overseas posts and the DIMA offices in Australia. Instead, policies and procedures in relation to the administration of the OAA program are documented in several different places, such as reading materials for participants on the overseas training course, draft guidelines for OAA developed in 1997, draft debt recovery guidelines for contractor, draft guidelines for OAA refugee and humanitarian rebate scheme and minutes and electronic mails from Central Office to State Offices.

5.34 This is likely to have been a factor in the varying practices observed by the ANAO between and within the three States visited, with staff not clear about a number of processes relating to contract management (as discussed above), debt management, managing overstayers and their monitoring and reporting responsibilities. This has had considerable impact on the effectiveness of administration of the scheme, as discussed below.

Management of overstayers and occupancy

5.35 OAA residents that seek to extend their stay in the OAA flats beyond the 13 weeks entitlement are referred to as 'overstayers'. These residents need to apply formally to DIMA for the extension. The applications are assessed by the relevant State Offices who take into consideration the resident's financial and social record prior to approving an extension.

5.36 Residents whose application for extensions of stay have been rejected by the OAA Manager are to be given a maximum of four weeks to leave. Where the resident refuses to vacate at the expiry of entitlement, an authority of eviction from the residential accommodation is provided by the licence or tenancy agreement.

5.37 The ANAO analysed overstayers and occupancy for 1997–98 in the three States audited and found that :

- overstaying in OAA accommodation is a significant problem in Victoria and New South Wales, but this has been well managed in Queensland, which has no overstayers. Queensland attributes its better performance on overstayers to a contract with a community organisation which assists residents to find new accommodation and move out of OAA;

- the average stay in Victoria is highest (7 weeks over the normal entitlement), and the occupancy rate (at 75%) is also low compared to New South Wales, suggesting that the accommodation is poorly utilised;

- the degree of overstaying in New South Wales is masked by some long time overstayers being excluded from the management statistics. In New South Wales overstayers has been an ongoing issue, with 10 new leases recently approved;

- New South Wales was operating a different policy in relation to overstayers—interpreting overstayers as those who stay beyond the 26 weeks period of initial stay; and

- occupancy rates suggest supply and demand are not well balanced.

5.38   Overstaying reduces the efficiency and effectiveness of the OAA program by:

- reducing the availability of OAA for eligible entrants;

- distorting management data on the potential availability of flats;

- needing resources to move residents out of OAA; and

- increasing the cost of the program.

5.39   The ANAO also found that, although overstayers may be required by the OAA Manager to pay rent at the market rate instead of the subsidised rate, the OAA Managers could not recall this having happened. Reports from the contractor do not enable this information to be identified.

5.40   The ANAO recognises that management of OAA is complex, particularly with respect to arrivals, where the movement of several thousand refugees across the world is affected by many factors, some of which are beyond DIMA's direct control. Nevertheless, the ANAO considers that the Department can make significant savings on its current OAA costs through better management of occupancy and overstaying. Having occupancy rates more consistent with market standards, and tighter control on the prevention of overstaying could result in annual savings up to $300 000 or a quarter of the total lease costs for the three States reviewed. In addition there would be indirect savings from reduced overheads such as administration and maintenance of flats. On a national basis the savings could therefore be up to $500 000 per annum. The magnitude of the possible savings achieved will be dependent on the degree to which DIMA is able to influence the external factors. The differing approaches and performance of States to these problems suggest practical steps to take (for example, Queensland's arrangements).

Debt Management

5.41 Where residents fail to pay their weekly rent, the contractor is responsible for sending the first two rental arrears letters. If the resident fails to respond to these letters, the account is forwarded to DIMA in the form of an outstanding debtors report and a debt is registered.

5.42 The ANAO found that OAA debt was not well managed. A review of the OAA debt management processes identified a number of limitations as follows:

- while there are draft Departmental generic debt recovery procedures, there are no current debt management procedures which specify debt identification, recovery and write-off in relation to OAA debts;

- the monthly report on outstanding debtors was not being actioned on a regular basis; and

- age analysis or reconciliation of debts was not undertaken regularly.

5.43 The lack of procedures may have contributed to the variable performance of States in debt management. The extent of OAA rental debts varies, from $57 253 in New South Wales to $3 052 in Victoria and none in Queensland. The ANAO noted that in 1997 DIMA New South Wales invested considerable resources in its debt recovery project which involved finalising 451 cases outstanding for several years with debts totalling some $120 000. 97 per cent of the total debt was recommended for write-off.

5.44 Apart from the direct financial consequences of the debts there are considerable administrative costs. The follow-up work involved in relation to debt recovery is time consuming, involving DIMA staff and the contractor. The ratio of bad debts to the resources required for debt identification, recovery and its write-off also should be addressed.

5.45 Again, the arrangements in Queensland seemed superior to those in other States. The Queensland service agreement with the community organisation means that the organisation is responsible for following up debts when residents moved out of OAA.

Settlement service officers

5.46 Settlement Service Officers (SSOs) at the DIMA State/Territory offices provide outreach services to the OAA residents. They provide the initial settlement services over the first week of arrival such as: meeting new arrivals at the accommodation; assisting access the service providers such as Centrelink and Medicare; enrolling the client in Adult Migrant English Service and their children in schools; shopping for groceries, clothing and other necessities; and opening bank accounts.

5.47   The ANAO found that the level of involvement of SSOs with the OAA clients varied considerably between States after the initial services have been provided. After the initial services in New South Wales the SSOs provide further settlement services, such as assisting with relocation to alternative accommodation, follow-up on debts outstanding and so on. In Queensland the contracted community organisation undertakes these responsibilities, in Victoria the MRCs undertake some of these responsibilities but to a lesser extent. However, the ratio of SSOs to clients serviced does not reflect these differences in workload after the initial support provided.

5.48   The ANAO considers that extending the Queensland model to other States has potential for considerable savings from the \$1 million[14] cost of maintaining the SSO functions internally. On the basis of Queensland's experience, it would also seem to offer the opportunity for more effective and timely management of clients through OAA and into the community.

Conclusion—Administration

5.49   The ANAO considers that there is substantial scope for improving the efficiency and administrative effectiveness of OAA administration. The ANAO found that there was quite variable performance in management of occupancy and overstaying by residents, adversely affecting the efficiency of utilisation of the OAA accommodation. Performance on debt management also varied markedly. The ANAO found that the level of involvement of SSOs with OAA clients varied considerably between States after the initial services have been provided, but the ratio of SSOs to clients serviced did not reflect these differences in workload.

5.50   The ANAO recognises that management of OAA is complex, particularly with respect to arrivals, where the movement of several thousand refugees from around the world is affected by many factors, some of which are beyond DIMA's direct control. Nevertheless, the ANAO considers that the Department can make significant savings on its current OAA costs through better management of occupancy and overstayers. The magnitude of the savings achieved will be dependent on the degree to which DIMA is able to influence the external factors but could be up to \$500 000 per annum.

5.51   The use of a community organisation to carry out some of the functions traditionally undertaken by SSOs, as in Queensland, offers a possible means of achieving some of these gains. Based on their experience, it offers the possibility of more effective and timely management of clients through OAA and into the community.

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[14]   Based on costing information provided by DIMA.

5.52 The ANAO found that consolidated guidance on procedures was not available and considers that this would have contributed to the varying practices and performance observed by the ANAO between and within the three States visited, with staff not clear about a number of processes relating to contract management, debt management, managing overstayers and monitoring and reporting responsibilities

Recommendation No. 11

5.53 The ANAO recommends that DIMA:

- establish consolidated On-Arrival Accommodation policy and procedures guidance, including effective processes for management of overstayers, occupancy rates and residents' debt; and

- explore, with community organisations, cost effective arrangements to provide settlement assistance for OAA clients, including the role of the Settlement Service Officers, to achieve more effective and timely management of clients through OAA and into the community.

DIMA response

5.54 DIMA agrees with the recommendation.

CRSS

5.55 The CRSS was introduced by the Department in 1979 in response to the community's concern over the plight of refugees and a willingness to help them with resettlement. The objectives of the CRSS are to:

- provide the community with the opportunity to be actively involved in the successful settlement of Humanitarian new arrivals;

- provide the community with an opportunity to be directly involved with the settlement of Humanitarian new arrivals and contribute to their successful settlement; and

- encourage greater community awareness of Australia's Humanitarian Program.

5.56 The CRSS groups are responsible for meeting the refugees and humanitarian entrants on arrival at the airport and providing initial settlement assistance (up to six months) which includes arranging accommodation and ensuring the arrivals have sufficient and appropriate information about the relevant settlement services in the community. Any group of people volunteering their time to the settlement of a refugee family may apply for registration as a CRSS group. If the application is accepted the group will be asked to help a refugee family once some of their members have completed necessary training.

5.57   The Department is responsible for providing CRSS groups with training and information on the settlement of the CRSS migrants and for assessing and evaluating the effectiveness of the Scheme. There is a CRSS coordinator in each State/Territory responsible for the administration of this function. This includes selecting, registering and supporting the groups, and monitoring and reporting on the effectiveness of the Scheme. Appendix 8 provides an overview of the responsibilities of the CRSS group and the Department.

5.58   DIMA provides a grant to the CRSS group for expenditure on the settlement of a family or individual under the CRSS, as shown in Table 4.

Table 4
CRSS Grant

No. Persons	Grant Amount 1997–98
1 Person *(clothing and household items)*	$1,100 *
Couple with no children	$1,400 *
* An additional amount of $300 may be claimed for each additional member in the household.	

5.59   In addition, the CRSS group receives an establishment grant of $100 per family settled, to recover the costs of incidental expenses such as petrol, parking and telephone calls. This is an ex-gratia payment which is not required to be acquitted.

5.60   Figure 7 shows the distribution by State of the 3 220 CRSS arrivals in 1997–98. Some $1.8 million was spent on the CRSS program in 1997–98 covering grants, training and other costs.

Figure 7
1997–98 CRSS Arrivals
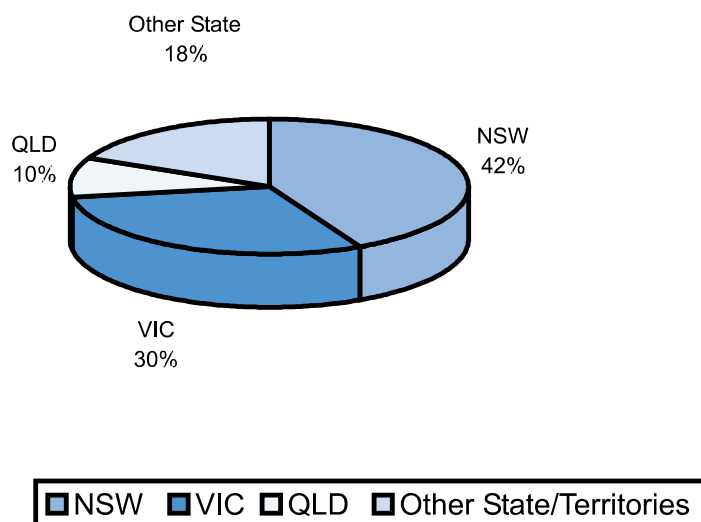
5.61   The ANAO reviewed the Department's administration of the operation of the CRSS and examined whether the administration processes applied in the Scheme facilitated efficient and effective financial outcomes, and better client outcomes.

Handbook

5.62   The CRSS handbook, which was last updated in 1995, outlines the Scheme's objectives and provides clear and concise procedures for the State/Territory CRSS coordinators, and information and guidelines for the CRSS groups. However, this guidance is no longer up-to-date; it does not reflect accurately the current CRSS policies and procedures and the changes for the CRSS groups brought about by the implementation of the IHSS. DIMA has been seeking to develop an administrative circular encompassing changes required to the CRSS handbook and issued this in September 1998.

5.63   Currently the CRSS handbook contains detailed DIMA administrative procedures as well as guidance for CRSS groups. The ANAO considers a separate handbook for the CRSS group which targets their role and responsibility would be of greater benefit to the groups.

Group Selection

5.64   Community groups are required to be 'assessed against a range of factors known to be important in providing settlement assistance to Humanitarian Program migrants', to be registered as a CRSS group. These factors include the size, stability, relevant experience and financial and other resources available to the group. An important factor is the ability to make regular and frequent contact with new arrivals, including linking them into necessary services such as social security, schools, banks and health services.

5.65   The CRSS coordinator makes an assessment of the group, and also assesses the local area for availability and access to accommodation, English classes, employment opportunities and suitable education, health and welfare services.

5.66   A review of the CRSS files in the State Offices audited indicated that information relating to validation of the groups financial and other resources was not documented. In addition, the majority of information relating to the backgrounds of various CRSS groups was not held on the registry file. Therefore, the ANAO found little evidence to indicate that the procedures for registration were being fully complied with. The ANAO considers that it is important that the relevant criteria for selecting CRSS groups are followed and documented to provide assurance that groups selected will appropriately support DIMA in achieving the objectives of the Scheme.

Monitoring

5.67 Grants to CRSS families can amount to several thousand dollars, depending on the size of the family. There are practical limitations on the extent to which the expenditure can be monitored, given the voluntary nature of the work involved. Often voluntary bodies have limited resources and this may impact on the quality of the reports or supporting documentation. The Department has monitoring procedures, which have been developed taking into account the nature of the groups, in order to provide accountability of groups for expenditure and outcomes.

5.68 The ANAO examined a sample of thirty CRSS cases for the period 1997–98 to establish the administrative effectiveness of these procedures. The results discussed below are indicative of systemic weaknesses in monitoring.

Performance Monitoring

5.69 DIMA procedures require regular reviews be conducted of CRSS groups to monitor the provision of assistance, the group's ability to provide continued support, and the outcomes of the Scheme. The CRSS Handbook instructs that the first family/individual settled by a new group should be reviewed by DIMA. Thereafter one family in four should be reviewed, (or one family every two years if the group assists fewer than four families in two years). Coordinators are also required to monitor assignments to groups that have not performed to standard in the past.

5.70 In practice DIMA has not been undertaking reviews systematically with the required frequency, mainly due to resource constraints. The ANAO found that of the sample of thirty cases examined, only 10 per cent were reviewed by DIMA and the review report documented on the appropriate file.

5.71 An effective CRSS review arrangement is an important aspect of DIMA's mechanisms for establishing the effectiveness of the program. The information derived from these reviews can contribute to reporting on outcomes as well as outputs, thus providing management with effective information to assist in policy and planning related decisions. The ANAO therefore considers it important for DIMA to establish a more effective strategy for undertaking these reviews.

5.72 The ANAO notes that DIMA Queensland was developing a database to systematically trace CRSS entrants and the frequency of CRSS group reviews. If implemented more widely the development of such a management information system may be a means of supporting better performance monitoring.

Accountability for use of funds

5.73   CRSS groups are required to acquit grants, with appropriate receipts or a completed accountability statement, within six months of the grant being received. The ANAO found that these accountability procedures were not being followed consistently. The ANAO's review of a small sample of files indicated that:

- in half the cases examined, the associated receipts, or an accountability statement were not on file within the required six month period (for example, a few were outstanding for more than one year);

- the receipts examined did not sufficiently identify the supplier; and

- in about 40 per cent of the cases, for the three states where receipts were acquitted, some of the grant money was used for purposes that were inconsistent with the guidelines.

Conclusion

5.74   The ANAO recognises the voluntary nature of this Scheme and understands that organisations providing this support are community-based groups that provide the time of their members for no fee. Therefore, a balance needs to be achieved between ensuring effective service delivery and high level expectations on the groups. However, DIMA's current procedures for review and accountability of groups are not working well. There was insufficient evidence on files to indicate that the procedures for registration of groups were being fully complied with. DIMA has not been undertaking reviews of groups systematically or with the required frequency. In addition procedures to provide accountability of groups for the grants were not being followed consistently, with evidence of expenditure being inconsistent with guidelines.

5.75   DIMA should review the outcomes it is expecting from the Scheme and ensure that the CRSS embodies arrangements which result in more effective and efficient financial and client-based outcomes. More up-to-date guidance for DIMA officers and support groups should be part of improved arrangements.

Recommendation No. 12

5.76   The ANAO recommends that DIMA review the outcomes it is expecting from the CRSS, and ensure that the administrative processes are supported by:

- up-to-date guidance for DIMA officers and support groups; and
- arrangements to ensure group selection, performance monitoring and accountability requirements are complied with and are appropriately documented for operational and review purposes.

DIMA response

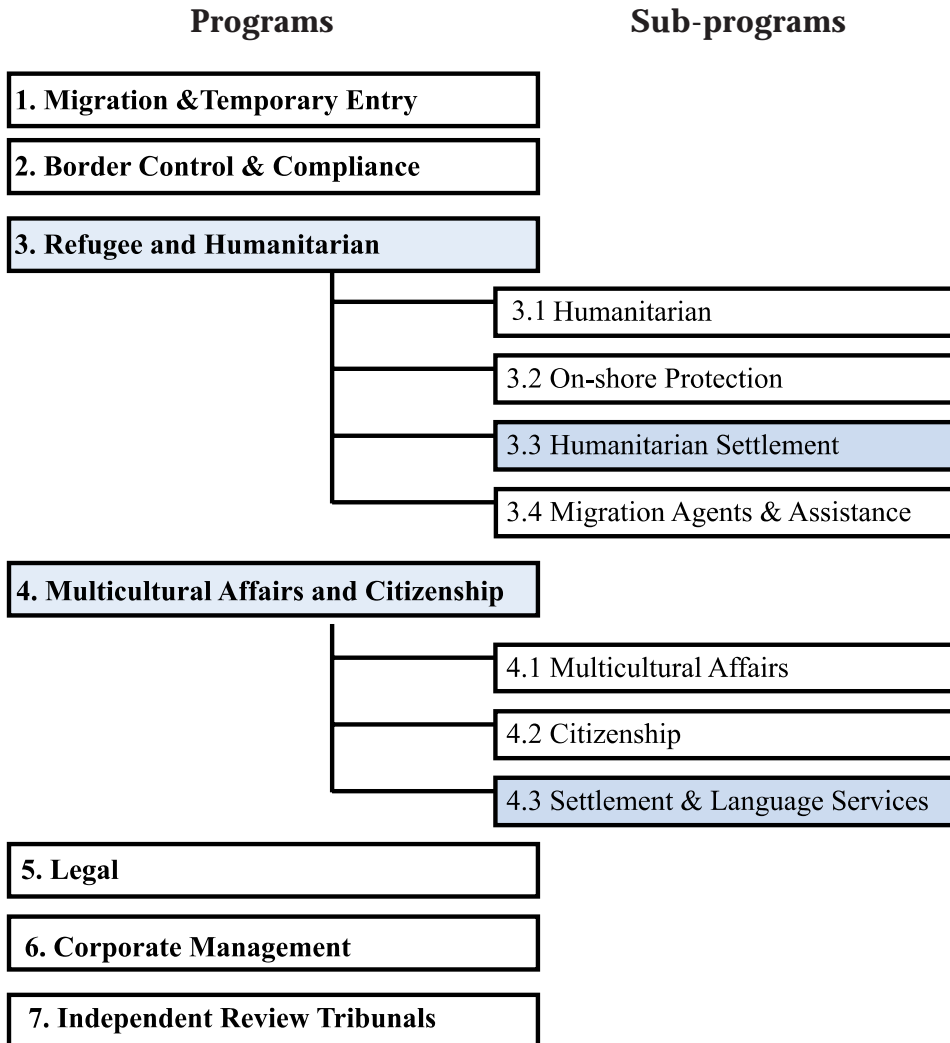**5.77**   DIMA agrees with the recommendation.

Canberra ACT

22 December 1998

P.J. Barrett

Auditor-General

Appendices

Appendix 1

1997–98 DIMA Program Structure[15]

Programs	Sub-programs

1. Migration &Temporary Entry

2. Border Control & Compliance

3. Refugee and Humanitarian

3.1 Humanitarian

3.2 On-shore Protection

3.3 Humanitarian Settlement

3.4 Migration Agents & Assistance

4. Multicultural Affairs and Citizenship

4.1 Multicultural Affairs

4.2 Citizenship

4.3 Settlement & Language Services

5. Legal

6. Corporate Management

7. Independent Review Tribunals

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[15]   This structure was implemented in November 1997.

DIMA CENTRAL OFFICE STRUCTURE

Secretary

Multicultural Affairs & Citizenship

Refugee and Humanitarian

Multicultural Affairs

Citizen & Language Services

Settlement

Humanitarian

Onshore Protection & Review

Review Taskforce

Community Programs

Settlement Policy &Planning

International

Humanitarian Program

Client Access

Humanitarian Entry

TIS Review

Humanitarian Settlement
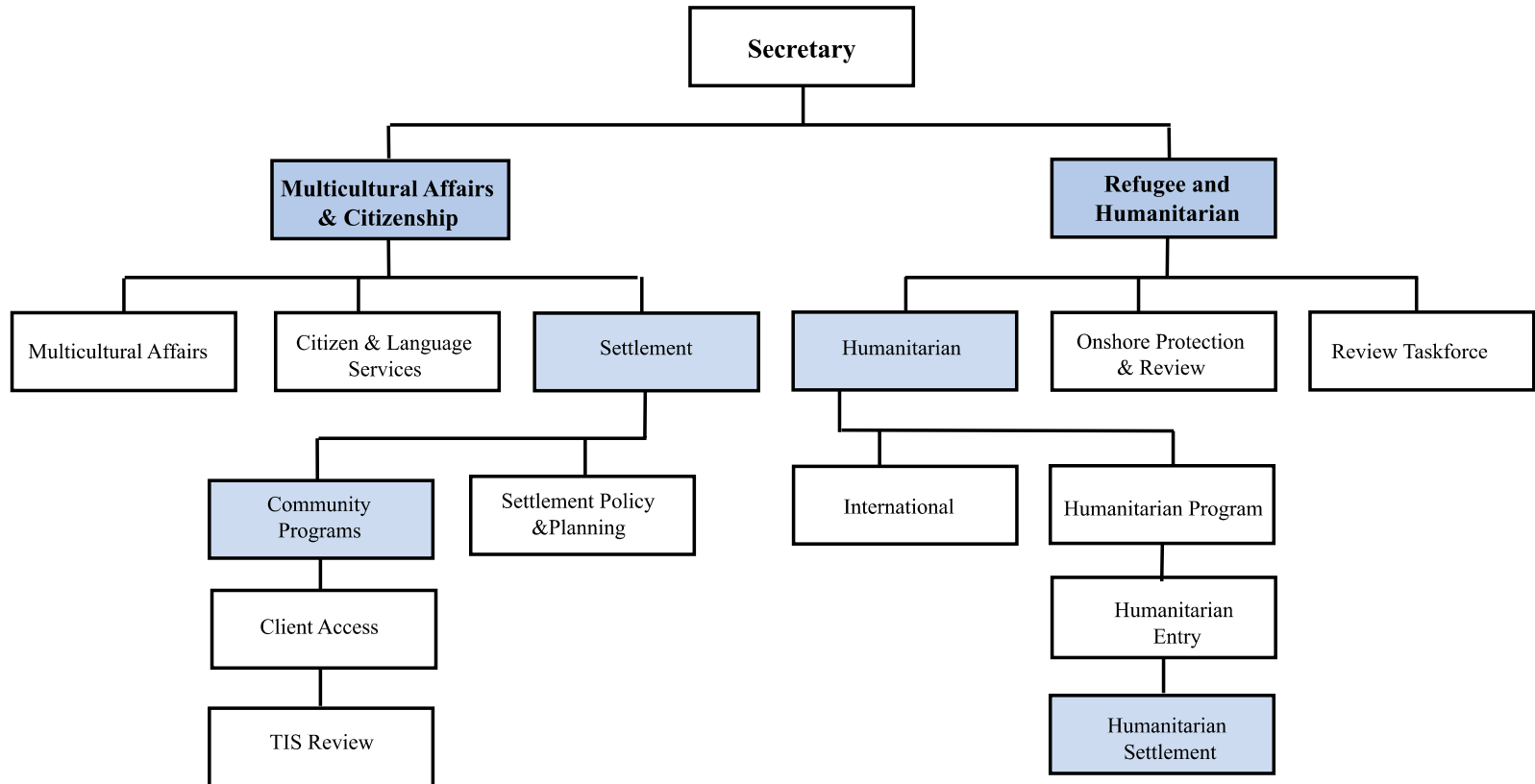
* The shaded areas are those that were examined as part of this audit

Appendix 2

Previous reviews of settlement services

DIMA's settlement services have been the subject of a number of reviews. These reviews have largely focussed on a specific scheme.

Departmental Reviews

Community Grants

In 1994 DIMA's Ethnic Affairs and Community Programs Section commenced an internal agency review of the Grants-in-Aid (GIA) and Migrant Access Projects Schemes (MAPS), with results reported in three stages commencing in 1995 and finishing in 1997.

The review reported on key outcomes from stages 1 and 2 and recognised needs from stage 3 including:

- development of the Community Grants Resource Handbook;
- trialing a system of quarterly reports by State/Territory Offices (STOs);
- the integration of policy and procedures in a handbook for grants consultants;
- provision of training for grants consultants/administrators;
- developing a mechanism to feed lessons learnt back into the grants process; and
- minimising the delay in advising STOs of funding decisions.

In 1995 DIMA Evaluation, Quality Assurance and Internal Audit Section, completed an Audit of the Community Grants Program. The audit report commented on:

- the existing Departmental guidelines;
- documented processes and procedures for Departmental officers;
- financial and program accountability requirements and measures;
- performance feedback mechanisms; and
- fraud.

Migrant Resource Centres

In 1997 DIMA MAC Division conducted a review of the roles and function, service delivery framework, management and administration structures and financial framework of MRCs. The review commented on possible options for MRC core roles and functions including:

- program role, vision and name;
- service delivery approaches;

- optimising management structure; and
- funding arrangements.

On-Arrival Accommodation

An Evaluation of the OAA Program was completed by the Humanitarian Settlement Section in February 1996. The evaluation reported on the:

- early sale of OAA;
- further expansion of OAA;
- process of leasing;
- standard of OAA;
- case coordination; and
- comparison of costs for 1990–91 and 1994–95.

Community Refugee Settlement Scheme

A review of the CRSS was prepared by the Settlement planning and Evaluation Section in May 1994. The report commented on:

- relevance of the Scheme;
- relevance of the objectives of the Scheme;
- administrative arrangements and operational framework;
- adequacy of support arrangements;
- priority of access;
- scope for greater interrelationship between CRSS groups and DIEA; and
- cost-effectiveness of the Scheme.

Settlement Planning

A Report on evaluation of the National Integrated Settlement Strategy was completed by the Settlement policy and Planning Section in May 1996. Major issues addressed in the evaluation were:

- key achievements of the NISS;
- aspects of the NISS that have been most effective;
- the extent to which each of the mechanisms which makes up the NISS has been effective; and
- areas where improvement is desirable.

Previous ANAO Coverage

The Australian National Audit Office conducted an audit of grants across a number of Commonwealth Government portfolios (Auditor-General's Report No.32 1996–97). The DIMA Grants-in-Aid and Migrant Access Projects were included in the Audit. The audit:

- examined the efficiency and administrative effectiveness of grant program administered in the APS; and

- identified any specific problem ares and evidence of better practice in both program administration and agency guidelines not already included in the guide.

Appendix 3

Detailed Audit Criteria

Issue 1: Management and Administrative framework

1.1.   Planning documents should reflect program objectives and government policy statements.

1.2.   There should be appropriate levels of management responsibility and control which support the accountability framework, with clear lines of responsibility and reporting.

1.3   There should be mechanisms in place to determine the full costs of the programs including administrative costs.

Issue 2: Grants assessments (CSS Scheme and MRCs)

2.1.   There should be well documented grant administration procedures which address funding strategies, assessment criteria, accountability arrangements and reporting mechanisms.

2.2.   There should be effective internal control mechanisms during the grant assessment phase.

2.3.   A monitoring strategy should be implemented to ensure that program funds are being spent to meet the program's objectives.

Issue 3: Performance Measurement.

3.1.   Strategies for performance measurement should relate to the program's objective.

3.2.   The Performance Information that is used should be balanced and comprehensive.

3.3.   The Performance Information should be used to manage the program and enhance performance.

3.4.   The Performance Information used should be reliable and valid.

Issue 4: Contract Management (as it relates to On-Arrival Accommodation)

4.1.   The overseeing responsibility for the contract should be clearly defined, identifying who will be accountable for monitoring the contract.

4.2.   Staff involved with contract management should have appropriate skills including:

- relevant industry skills;
- procurement;
- accountability requirements; and
- financial management.

Issue 5: Administration Processes

5.1.   The processes applied in the administration of grant and assistance schemes should facilitate efficient and effective financial outcomes.

5.2.   Opportunities to re-engineer processes to provide better client outcomes and efficiencies.

Appendix 4

Number of settlers (includes Refugee, Humanitarian and NESB) for the period 1992-97 and the proportion of settlers for each State for that period.[16]

State	Refugees	Humanitarian	NESB	All Settler Arrivals 1992-97	% Proportion of NESB population 1992-97
New South Wales	6 163	26 539	181 021	213 887	47%
Victoria	5 129	22 288	99 701	114 353	25%
Queensland	2 090	4 340	32 016	46 296	10%
All other States	5 265	11 707	52 629	80 355	30%
Total	18 647	64 874	365 367	454 891	100%

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[16]   DIMA Submission to the Minister 1997-98 Grants Round.

Appendix 5

Funding Priorities for 1997–98 Grants round

National Priorities
'To assist recently arrived migrants and humanitarian entrants who have demonstrated settlement needs arising from their pre-arrival experiences, and/or the cultural and language difficulties which they face on arrival in Australia. Within this broad target group priority groups (those identified as having the greatest need) include humanitarian entrants, isolated migrants such as the aged and refugee women in difficult situation, and new arrivals who belong to emerging communities'.

Queensland State priorities	Victoria State priorities	New South Wales State priorities
Refugee/humanitarian	**1. Humanitarian**	Information and referral services for recent arrivals, particularly from small and emerging communities; and in rural New South Wales.
- SHP, SAC entrants going directly to community	a) OAA (Refugees)	
- OAA entrants	b) SHP & SAC going directly into community	
- CRSS entrants	- CRSS suppor	Support for high need groups such as humanitarian entrants, those who entered under the Woman-at-Risk program, and refugee minors.
Small/emerging communities	- Family support	
Rural and remote non-English speaking communities	- Community support	
Women	c) Others—DORS	
Youth	**2. Information & Referral**	Support services for young people, women and elderly migrants.
Non-English speaking Unemployed	Recent arrivals (1991-96) under all migration categories need information about services and/or referral to mainstream services.	
All non-English speaking groups	Particularly relevant where English proficiency is lower (AMEP assessed).	
	3. Youth	
	• relevant across all migration categories	
	• needs may be different/greater if arriving as humanitarian entrants	
	Need for funding to specialist agency OR joint funding to a number of communities who have a 'natural' connection. Models for such funding—EYIN; joint Spanish agencies.	
	4. Vulnerable Women	
	• relevant across all migration categories	
	• women in some categories may be more 'at risk'	
	• women arriving under spouse/finance may have needs if family support structures/support networks are minimal. If community increases rapidly, services may not be ready to respond.	
	Funding which develops partnerships with specialist agencies and/or between communities would focus attention on common issues/strategies.	
	5. Elderly	
	• focusing on arrivals during 1991 -96 who were 55-99 years old on arrival.	
	Funding which develops partnerships with specialist aged care service providers	

Appendix 6

DIMA Grant assessment criteria and eligibility criteria

Assessment Criteria

- The criteria used to assess all applications will include, but not necessarily be limited to, the following (not in order of priority);
- the proposed work program addresses the Department's settlement program objectives and identified settlement planning priorities;
- the organisation has a demonstrated capacity to manage a grant as evidenced, for example, in annual reports or other reports from research or projects undertaken by the organisation;
- where applicable, past performance in achieving outcomes and satisfying the Department's financial and program accountability requirements;
- the strategies proposed in the work program are realistic and appropriate for the target group;
- for major MAPS grants, the organisation has a strategy for following up project outcomes after the grant period.

Eligibility Criteria

To be consider eligible for grants funding, an organisation must be able to demonstrate that:

- it is properly constituted and incorporated under relevant State/ Territory legislation, preferably as an Association (and must continue to be able to provide evidence to DIMA of its ongoing incorporation upon request);

  Note: If the organisation is not incorporated or does not have the expertise to administer the grant itself, it may be possible for an established organisation to apply for funding on its behalf as an auspicing body;

- its proposed work program reflects current settlement planning priorities and the objectives and functions of DIMA's Community Grants Program;
- it has the capacity to implement its proposed work program;
- it has the capacity to administer grant funds in accordance with Commonwealth accountability requirements; and
- where appropriate, it is prepared to negotiate with other organisations in the region to secure suitable accommodation, facilities and professional support for the work.

Appendix 7

Comparison between 1997–98 and 1998-99 MRC service agreements

1997–98 Service Agreement	1998-99 Service Agreement
Work Program to be agreed with DIMA, included: priority/target group; task to be achieved; expected outcome; service standard; performance measures; and resources.	A separate Work Program with milestones to be agreed with DIMA which has four parts to it: community development, management, service development, and service delivery. For each of the four areas, MRCs to identify: service outputs; quantity; timeframe and description.
Humanitarian Work Program was not separate from the general MRC Work Program.	Separate Work Program for the humanitarian worker.
MRC to report in writing on its activities to DIMA at such regular intervals as the Authorised Officer requests.	The Department may use assessments made by the Department's officers or any other source of information to monitor the performance of the Centre.
Six month client service statistical report required to be submitted to DIMA.	Client service statistical report as required by the Department.
Annual review of the Work Program and report to DIMA by 31 May 1997 including results of client survey.	Quarterly Milestones Report on the agreed milestones.
Annual Report of the Centre.	Annual Report of the Centre.
Set of audited financial statements.	Set of audited financial statements.
	Humanitarian worker reports as required by the Department.
	Annual report on the level of client satisfaction with services funded by the Department which the Centre provided.
	A list of all publications produced by the Centre and articles published by the Centre.
DIMA representative to attend management committee meetings.	DIMA representative to attend management committee meetings.

Appendix 8

Role and responsibilities of CRSS groups and DIMA

CRSS groups are responsible for meeting the migrants on arrival at the airport and providing initial settlement assistance (up to six months) to Refugees and Humanitarian Program entrants including:

• arranging sole-occupancy accommodation in a house or unit close to public transport and settlement services;

• ensuring the arrivals have sufficient and appropriate information about, and know how to find, all relevant services in the community;

• encouraging arrivals to attend English language courses or tuition, and orientation courses about living in Australia; and

• generally helping them to adjust to living in Australia.

Overseas Posts	•Decide Destination (if no preference indicated) •Counsel Entrants •Decide CRSS or OAA •Advise CO on developments affecting policy
State/Territory Offices	•Administer and monitor the CRSS •Register and support CRSS groups •Link entrant to CRSS group •Receive and assess applications •Consult Central Office on CRSS planning •Distribute CRSS information
Central Office	•Identify yearly CRSS program •Oversee CRSS financial mgt •Liaise with regional and o/s offices •Brief Central Office staff, Ministers office

Appendix 9

Performance Audits in Department of Immigration and Multicultural Portfolio

Set out below are the titles of the reports of the main performance audits by the ANAO in the Immigration and Multicultural Affairs portfolio tabled in Parliament in recent years.

Audit Report No. 35 1993-94
The Compliance Function

Audit Report No. 44 1993-94
Electronic Capture of Passenger Card Data

Audit Report No. 1 1996-97
Passenger Movement Charge

Audit Report No. 7 1997–98
Immigration Compliance Function

Audit Report No. 32 1997–98
The Management of Boat People

Audit Report No. 5 1998-99
Commonwealth Agencies' Security Preparations for the Sydney 2000 Olympic Games

Index

Series Titles

Titles published during the financial year 1998-99

Audit Report No.1 Performance Audit
Corporate Governance Framework
Australian Electoral Commission

Audit Report No.2 Performance Audit
Commercial Support Program
Department of Defence

Audit Report No.3 Performance
Audit - Follow-up
*Assessable Government Industry
Assistance*
Australian Taxation Office

Audit Report No.4 Performance Audit
Client Service Initiatives
Australian Trade Commission

Audit Report No.5 Performance Audit
*Commonwealth Agencies' Security
Preparations for the Sydney 2000
Olympics*

Audit Report No.6 Audit Activity Report
*Audit Activity Report: January to June
1998*
Summary of Outcomes

Audit Report No.7 Performance Audit
*Management of the Implementation of
the New Employment Services Market*
Department of Employment,
Education, Training, and Youth Affairs

Audit Report No.8 Performance Audit
Safeguarding Our National Collections

Audit Report No.9 Performance Audit
*Accountability and Performance
Information*
Australian Sports Commission

Audit Report No.10 Performance Audit
Sale of One-third of Telstra

Audit Report No.11 Performance Audit
OGIT and FedLink Infrastructure
Office of Government Information
Technology

Audit Report No.12 Performance Audit
Taxation Reform
Community Education and Information
Programme

Audit Report No.13 Performance Audit
*Aboriginal and Torres Strait Islander
Health Program*
Department of Health and Aged Care

Audit Report No.14 Performance Audit
Prescribed Payments Scheme
Australian Taxation Office

Audit Report No.15 Performance Audit
Postal Operations
Australian Customs Service

Audit Report No.16 Performance Audit
Aviation Security in Australia
Department of Transport and Regional
Services

Audit Report No.17 Performance Audit
Acquisition of Aerospace Simulators
Department of Defence

Audit Report No.18 Performance Audit
*Accounting for Aid — The
Management of Funding to Non-
Government Organisations — Follow
Up Audit*
Australian Agency for International
Development (AusAID)

Audit Report No.19 Performance Audit
The Planning of Aged Care
Department of Health and Aged Care

Audit Report No.20 Financial
Statement Audit
*Audits of the Financial Statements of
Commonwealth Entities for the Period
Ended 30 June 1998*
Summary of Results and Financial
Outcomes

Audit Report No.21 Financial Control
and Administration Audit
Costing of Services

Audit Report No.22 Performance Audit
Getting Over the Line
Selected Commonwealth Bodies'
Management of the Year 2000
Problem

Audit Report No.23 Performance Audit
Accountability and Oversight
*Arrangements for Statutory Bodies in
the Former Primary Industries and
Energy Portfolio*

Audit Reports No.24-27 Performance
Audit
DAS Business Unit Sales
    No.24.   Sales Management
    No.25   DASFLEET SALE
    No.26   Sale of Works Australia
    *No.27   Sale of DAS Interiors
                Australia*

Audit Report No.28 Performance Audit
Sale of SA Rail, Tasrail and Pax Rail

Better Practice Guides

Managing APS Staff Reductions	Jun 1996
Asset Management	Jun 1996
Paying Accounts	Nov 1996
Telephone Call Centres	Dec 1996
Return to Work: Workers' Compensation	Dec 1996
Case Management	
Management of Corporate Sponsorship	Apr 1997
Administration of Grants	May 1997
Audit Committees	Jul 1997
Public Sector Travel	Dec 1997
Controlling Performance and Outcomes	Dec 1997
Protective Security Principles (in Audit Report No.21 1997-98)	
Management of Accounts Receivable	Dec 1997
AMODEL Illustrative Financial Statements 1998	Jul 1998
New Directions in Internal Audit	Jul 1998
Security and Control for SAP R/3	Oct 1998
Selecting Suppliers: Managing the Risk	Oct 1998