

The Auditor-General
Audit Report No.33 1999–2000
Performance Audit

Administration of Business Entry Program

Department of Immigration
and Multicultural Affairs

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Canberra ACT
13 March 2000

Dear Madam President
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit in 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 *Administration of Business Entry Program*.

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

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Abbreviations/Glossary

A-based staff	Australian staff posted to overseas posts.
ACCI	Australian Chamber of Commerce and Industry
ANAO	Australian National Audit Office
ASIC check	The Australian Securities and Investments Commission operates a database where company details can be checked for a fee.
BAP	Business Advisory Panel. The BAP was established in 1996 to provide the Minister for Immigration and Ethnic Affairs with advice on DIMA's business entry programs. Its 10 members were chosen to reflect the industry groups comprising DIMA's clientele.
BCA	Business Council of Australia
BPR	Business Process Re-engineering
BSC	Business Skills Class. The BSC visas are further split into Migrant (offshore applicants) and Residence (onshore applicants) classes.
BSC Migration booklet	Released on 1 November 1999 it contains comprehensive information and application forms concerning business entry to Australia.
Business Centres	Established in 1997 throughout Australia to integrate service delivery to business by dealing with all inquiries and applications relating to permanent and temporary business entrants.
business entry program	Comprises the totality of business programs delivered by the Department including BSC, TBE, ENS, RSMS, LA and RHA.
CEDA	Committee for Economic Development of Australia
cycle time	Total time taken to complete visa-processing.
DEWRSB	Department of Employment, Workplace Relations and Small Business

DIMA	Department of Immigration and Multicultural Affairs
Electronic Travel Authority	This is an electronically stored authority for travel, which facilitates the entry of tourists and short-term business travellers from countries where the risk of non-compliance with Visa conditions is low.
ENS	Employer Nomination Scheme
front-end loading	Initiatives to ensure visa applications are lodged with all necessary documentation to assist quicker processing.
hand-off	Where a visa application is passed between DIMA officers during visa-processing.
ICSE	Integrated Client Services Environment. ICSE was implemented within Australia on 5 July 1999. ICSE consolidates a number of onshore computer-based visa processing systems into a generic application processing system.
IE	Independent Executive
IRIS	Immigration Records Information System. This system is used at overseas posts to facilitate the grant of visas to enter Australia.
IT	Information Technology
key/non-key	In processing sponsored TBE applications, a position is classified as either a key or non-key activity. For example, a key business activity can be one that is essential to the overall operation of the organisation. If the activity is classified by DIMA as non-key, evidence of labour market testing may be required to demonstrate there are no Australians available for the position.
LA	Labour Agreement
LEGEND	An electronic information system available to DIMA staff which includes the Migration Act, the Migration Regulations, Procedures Advice Manual and the Migration Series Instructions.
LES	Locally Engaged Staff
LSIA	Longitudinal Survey of Immigrants in Australia
MIA	Migration Institute of Australia

Migration Occupations in Demand List

Lists occupations in demand in Australia and the subject of special initiatives to attract suitable overseas applicants.

migration agent

Assists applicants to prepare and present visa applications.

movement check

A record of departures and arrivals of individuals at Australian border entry points.

NOIC

Notice of Intention to Cancel. Sent to visa-holders identified for visa-cancellation allowing an opportunity to provide evidence as to why the visa should not be cancelled.

overseas posts

DIMA operates offices in the overseas embassies and consulates administered by the Department of Foreign Affairs and Trade.

Post-Arrival Surveys

DIMA surveys BSC migrants 24 and 36 months after arrival to provide information on economic outcomes and as a basis for monitoring compliance with visa conditions.

PQBS

Pre-Qualified Business Sponsor

principal applicant

The applicant who is assessed by DIMA against criteria for the relevant business visa.

PAM

Procedures Advice Manual. Policy and procedural guidance provided to DIMA processing staff.

Regional Offices

DIMA operates an office in each Australian capital city to deliver DIMA programs.

RHA

Regional Headquarters Agreement

RSMS

Regional Sponsored Migration Scheme

RTM/RTU

Regional Training Manager/Regional Training Unit

secondary applicant

A member of the family of a principal applicant

self-assessment	Where applicants are able to assess the likelihood of success prior to application for a visa.
SBS	Standard Business Sponsor
Site visits	These are undertaken by DIMA staff in Australia and overseas to confirm business details for BSC visa-applicants, TBE business sponsors or BSC visa-holders.
Sponsor	An Australian business that applies to sponsor an overseas worker for permanent or temporary entry to Australia.
TBE	Temporary Business Entry Class comprises Business (Long Stay) and Business (Short Stay) visas. Business (Long Stay) visas comprise the TBE Independent Executive and TBE Sponsorship categories. This audit focussed on these two categories referred to as TBE.
Visa	A visa provides authority for the holder to enter and stay in Australia, either permanently or temporarily.
Visa Cancellation Register	Contains details of visas subject to possible future cancellation.
Y2K	Denotes the inability of some information technology systems to function correctly as the date changes to 1 January 2000.

Summary and Recommendations

Summary

Background

1. The Department of Immigration and Multicultural Affairs (DIMA) administers programs for business and temporary entry with the objective of enabling the fast entry of genuine travellers and people of economic benefit to Australia, while ensuring that border integrity is maintained and public health standards are met. In 1998–99, the cost of administering this activity was \$17 million, while revenue derived from applications was \$33 million.

2. This audit focused on the administration of the business entry program, which is delivered through the following permanent and temporary business entry options:

- the Business Skills Class provides for the settlement (ie. permanent migration) of business people;
- the Temporary Business Entry Class comprises Business (Long Stay) and Business (Short Stay) visas. The Business (Long Stay) visa includes two categories: the Temporary Business Entry (Long Stay) Sponsorship allows Australian employers to sponsor overseas personnel for up to four years; and the Temporary Business Entry (Long Stay) Independent Executive allows independent business people wishing to establish a business in Australia, to remain on a temporary basis for up to four years. The Business (Short Stay) visas allow business people wishing to visit Australia for business conferences, site inspections, negotiations or exploratory visit to remain for up to three months;
- the Employer Nomination Scheme/Regional Sponsored Migration Scheme (RSMS) allows Australian employers to recruit, on a permanent basis, highly skilled staff from overseas. RSMS supports regional migration;
- the Labour Agreement (LA) is a formal agreement negotiated between the Commonwealth Government, employers and unions/professional associations to recruit overseas a specified number of workers for defined vacancies in response to labour market shortages. A LA may involve permanent visa or a temporary visa; and
- the Regional Headquarters Agreement provides streamlined immigration processing for expatriate personnel for companies that have been endorsed by the Department of Industry, Science and Resources.

3. Permanent business visas allow successful applicants to settle in Australia; whereas temporary business visas are issued to business people to visit Australia as part of their business operations or to conduct business in Australia for up to four years.

4. DIMA Central Office coordinates policy and planning for the business entry program and provides support for service delivery in Australia and overseas. Visas are issued through Business Centres established in DIMA Regional Offices in Australian capital cities and, to offshore applicants, through Australia's overseas network of diplomatic posts and consulates.

5. The main principle underpinning the Government's policy on the entry of business people is that of economic benefit to Australia. Permanent and temporary business entrants are seen as bringing skills, knowledge and business practices that help create employment, generate exports and assist in the internationalisation of the Australian economy.

6. Because Australia competes for permanent and temporary business entrants with other countries, the international competitiveness of our business entry program potentially influences the achievement of program outcomes through client choice of destination.

Audit approach

7. The objective of the performance audit was to assess the administrative effectiveness of DIMA's business entry program against the background of the Business and Temporary Entry program objective, with particular regard to whether:

- the existing performance management mechanisms and compliance monitoring strategies support the achievement of program outcomes and outputs;
- the quality of decision-making at onshore and offshore visa processing points is consistent with program objectives;
- business processes facilitate prompt visa decision-making consistent with program objectives; and
- decision-making support mechanisms provided to case officers and processing staff at Business Centres and overseas posts promote robust and timely decision-making.

8. The ANAO developed criteria for the audit, taking account of recognised good practice in performance management, compliance monitoring and process design and delivery in both the public and private sectors.

9. The audit focussed on the administration of the Business Skills Class and the Temporary Business Entry (Long Stay) entry option which includes the Sponsorship and Independent Executive categories, as the areas of high risk and where the audit would add most value. The concepts underpinning Employer Nomination Scheme/Regional Sponsored Migration Scheme, Labour Agreements and Regional Headquarters Agreement focus on testing onshore the Australian employer's suitability for sponsorship.

Conclusion

10. The Business Skills (permanent) and the Temporary Business Entry (Long Stay) visa classes are well regarded by their business and other stakeholders who consider that these are producing positive outcomes of benefit to Australia. Both these visa classes have been effective in facilitating the entry to Australia of business entrants.

11. For the Business Skills Class migrants, DIMA undertakes periodic surveys involving mandatory self-reporting. These surveys monitor business outcomes and compliance with visa conditions. The survey results indicate that Business Skills migrants deliver economic benefits to Australia through business investment, employment creation and export earnings. However, the current validation of self-reported data does not provide adequate assurance on the extent of achievement of Business Skills Class outcomes. As well, strengthening the framework for monitoring compliance with visa conditions will increase the level of confidence that business settlers are genuine in their intention to establish businesses in Australia.

12. For the Temporary Business Entry (Long Stay), the ANAO concluded that the performance management mechanisms and compliance monitoring strategies were not adequate to enable DIMA to monitor the program outcomes and outputs. DIMA has not implemented a systematic or structured approach to monitoring and reporting outcomes for these visa holders. The implementation of structured monitoring and reporting for Temporary Business Entry (Long Stay) would provide:

- more informative data on program performance;
- better information for the development of policy options; and
- increased accountability for program outcomes

13. While most visa decision-making was sound, this was often not the case for decision-making relating to Temporary Business Entry (Long Stay) Independent Executive category. As a consequence of failure to follow decision-making guidelines applicants have been granted visas

contrary to conditions outlined in the Migration Regulations. To achieve compliance with regulations DIMA should ensure that processing and decision-making practices are supported by appropriate guidelines, which assist the decision-maker to make informed decisions, taking a more risk managed approach. Strengthening quality assurance processes would also contribute to maintenance of appropriate standards and continuous improvement in applications processing.

14. Timeliness of processing is a key program output. The ANAO concluded that business processes, particularly conducted offshore, were not adequate to facilitate prompt decision-making with respect to service standards, which DIMA has set for 1999–00. The ANAO has identified a number of process improvement opportunities, which can contribute to reduced processing times. In addition, improved performance information on processing times would enable DIMA to effectively manage and monitor processing times. There are also opportunities for significantly enhancing system support to improve administrative processes and aid decision-making resulting in better outcomes.

15. The ANAO also concluded that DIMA's arrangements for training support need to be better coordinated and targeted towards meeting core skill requirements for better performance.

Department response

16. The report provides a useful framework to assist future developments in certain aspects of our business program directed towards improving integrity and consistency of decision-making, enhancing processing efficiency and our dealings with our clients. DIMA supports all seven recommendations, which provide useful guidance for program managers and staff in Business Centres and overseas posts. The positive focus of the audit has resulted in a report which is helpful to DIMA.

Key Findings

Program outcomes and outputs

17. Outcome and output reporting by individual visa classes, together with monitoring of individual business entrants, provides the basic information from which the overall achievement of program outcomes can be assessed. Monitoring of visa holders also enables assessment of compliance with visa conditions.

18. DIMA has access to a range of stakeholder views on the business entry programs, providing assurance that the programs are meeting stakeholder needs while highlighting issues of concern to stakeholders.

Business Skills Class monitoring and reporting

19. DIMA collects data on business outcomes, self-reported by Business Skills Class migrants, in Post-Arrival Surveys held 24 and 36 months after arrival. The surveys provide information on economic outcomes and serve as a basis for monitoring compliance with visa conditions.

20. The surveys indicate that Business Skills migrants deliver economic benefits to Australia. After 3 years in Australia, the 441 Business Skills Class settlers who arrived in 1994–95 had¹:

- transferred \$295 million to Australia;
- invested \$500 million in their businesses;
- created almost 1400 jobs; and
- achieved over A\$33 million in annual export earnings.

21. However, adequate assurance on the achievement of Business Skills Class program outcomes and outputs would be better obtained if information self-reported by visa holders was validated more systematically than at present. For example, currently, DIMA does not systematically validate some key economic reporting criteria, such as business income, number of employees, business assets and export turnover. Systematic validation of this information would provide greater assurance of reporting accuracy and of the soundness of conclusions on economic benefits achieved by the program.

¹ Figures aggregated from the Business Skills Class Annual Post-Arrival Survey Reports—36 month report of 1994–95 settler arrivals, Business Migration Section Monitoring and Evaluation Unit, DIMA, January 1999.

22. The surveys also provide for monitoring of compliance with Business Skills Class visa conditions, with DIMA officers granted discretionary powers to cancel visas subsequent to investigating the claims and bona fides of settlers. A Notice of Intention to Cancel² visa may be sent up to 36 months after arrival; in practice this means that the 24 month survey is the only structured opportunity to test business activity or intentions within the visa cancellation period.

23. While the current compliance and checking processes provide useful information to support decisions on visa cancellation, the monitoring process relies heavily on corporate knowledge and skills of existing staff. There are no guidelines directed towards ensuring a consistent and risk managed approach to monitoring. Such structured guidance based on risk management principles would increase the level of confidence that business settlers are genuine in their intention to establish businesses and reduce the risk of inadequate departmental follow-up.

24. DIMA has the power to fine settlers, who do not respond to the survey, a sum of \$5000. DIMA has not previously used these powers, but has indicated that it proposes to do so from January 2000.

Temporary Business Entry (Long Stay) monitoring and reporting

25. Monitoring and reporting on Temporary Business Entry (Long Stay) outcomes was recommended by the 1995 Roach review³. Guidelines for the monitoring of part of this category—specifically business sponsors—were subsequently set in place. However, the ANAO found that the monitoring guidelines have not been implemented. DIMA has indicated that this is due to resource constraints resulting from unexpected growth in the Temporary Business Entry (Long Stay) Sponsorship caseload.

26. The Temporary Business Entry (Long Stay) Independent Executive category is intended to provide a pathway to permanent entry for business people. There is no monitoring and assessment of business outcomes achieved by these entrants whilst holding temporary visas, nor after they obtain permanent business status onshore. As a result, there is no means of assessing outcomes from this business entry stream.

² Visa cancellation can only occur after a Notice of Intention to Cancel has been sent.

³ *Business Temporary Entry: Future Directions*, Report by the Committee of Inquiry into the Temporary Entry of Business People and Highly Skilled Specialists, Neville Roach, Commonwealth of Australia, August 1995.

Processing times

27. Timeliness of processing is a key program output. Visa processing times are affected by factors over which DIMA has limited control, including whether applications have been lodged fully completed and the time taken to undertake health and character checks. Until recently, performance statistics on visa processing times did not take account of external delays. With the recent implementation of the onshore Information Technology (IT) system, DIMA will have the capability to provide performance statistics, which take account of external delays to onshore processing.

28. However, similar performance statistics cannot be gathered offshore except through manual recording and analysis process, which does not presently occur. DIMA envisages this will happen when its onshore IT system is implemented offshore.

29. There were no client service standards offshore in 1998–99, although suitable standards were introduced for 1999–2000. To assess DIMA's preparedness to meet the new standards, the ANAO analysed the timeliness of a sample of 1998–99 visa decisions, excluding delays caused by factors over which DIMA has limited control (such as time to obtain police and medical clearances). The ANAO found that, even allowing for these factors, only 31 per cent of Business Skills Class applications and 15 per cent of Temporary Business Entry (Long Stay) Independent Executive applications finalised offshore examined by the audit would have met the new service standards. Whilst the standards did not apply in 1998–99, it does indicate that DIMA has a challenging task in improving performance to meet these standards offshore for 1999–2000.

Quality of decision-making

30. Applications for visas under the Business Skills Class and Temporary Business Entry (Long Stay) may be lodged either onshore or offshore (with the exception of the Independent Executive category, for which the applicant must be offshore at both lodgment and grant and the application must be lodged offshore). The ANAO examined a sample of the Business Skills Class and Temporary Business Entry (Long Stay) cases finalised in 1998–99 to assess whether the quality of decision-making is consistent with program objectives.

Business Skills Class and Temporary Business Entry (Long Stay) processing

31. For Business Skills Class entrants, 97 per cent of cases examined were processed in accordance with visa decision-making guidelines. Notwithstanding the general accuracy of decisions made, file examination also revealed that some files did not have sufficient evidentiary documentation to support how the decision was made. Ensuring that DIMA case officers understand and adhere to the minimum documentation requirements to support decisions would improve the accountability and integrity of decision-making.

32. For Temporary Business Entry (Long Stay), 84 per cent of decisions examined fulfilled the visa decision-making criteria. In the Sponsorship category, non-compliance was more in the nature of minor administrative error, which did not affect the quality of decision made.

33. The audit identified weaknesses in the quality of decision-making for Temporary Business Entry (Long Stay) Independent Executive, where 34 per cent of applications were not processed in accordance with visa decision-making guidelines. As a consequence of failure to follow decision-making guidelines applicants have been granted visas contrary to conditions outlined in the Migration Regulations. One of the areas reflecting weaknesses in adherence to decision-making guidelines, was where the applicant was in Australia at the time of lodgment and grant. Weaknesses were also identified in the sufficiency of evidentiary documentation to support how the decision was made. DIMA advised that a recent review of the business entry program by the Business Advisory Panel⁴ has recommended significant changes to Temporary Business Entry (Long Stay) Independent Executive visas which DIMA supports. The findings of this audit should inform any implementation of any new category.

Inconsistent processing

34. The ANAO noted that work pressures had led to the development of particular cultures of decision-making in individual posts. Environmental differences result in some appropriate variation in processing practices. However, the audit found inconsistencies in processing practices between processing centres beyond those necessary to cater for these environmental differences. The ANAO considers that these variations have had a marked impact on quality of decisions.

⁴ The BAP was established in 1996 to provide the Minister for Immigration and Ethnic Affairs with advice on DIMA's business entry programs. Its 10 members were chosen to reflect the industry groups comprising DIMA's clientele.

35. The inconsistent processing practices between processing centres signify the need to strengthen the quality of guidance provided to decision-makers. As indicated below, it also highlights the need for sound quality assurance to ensure appropriate work practices are followed.

Quality Assurance

36. Quality Assurance provides confirmation of the accuracy of work undertaken and information to continuously improve processes. It also provides assurance that appropriate work practices are being followed.

37. The ANAO found that the quality assurance processes offshore focused on financial and security controls, with only high-level coverage of decision-making protocols. There is no structured centralised quality assurance process for reviewing Business Entry visa decisions onshore.

38. Strengthening quality assurance processes would contribute to maintenance of appropriate standards and continuous improvement of applications processing. DIMA has developments under way to introduce formal quality assurance processes onshore.

Process Efficiency

39. The ANAO reviewed Business Skills Class and Temporary Business Entry (Long Stay) applications processing both onshore and offshore to assess whether business processes facilitate prompt decision-making consistent with program objectives.

40. The audit identified a number of process improvement opportunities, which could both improve efficiency and contribute to reduced processing times. Although it can take a considerable time to process some applications, the time spent working on an application represents a small part of the total elapsed time.

41. In particular, some manual processing steps could be replaced with technological and system support. For example, to assess points and threshold criteria, to undertake assets calculations and online supervisory checks. This could be part of DIMA's future onshore and offshore system development strategy, especially as further functionality is added to its new onshore IT system.

42. There are also improvement opportunities with respect to enquiries, lodgment and assessment functions which together absorb half to three-quarters of the staffing resources. For example:

- some posts visited indicated that a high level of client enquiries meant that it was only possible to assess applications in the second half of the day. The level of client enquiries can be reduced by establishing

more websites and improving their comprehensiveness; ensuring greater clarity in correspondence requesting information of clients; and establishing an information medium to advise clients on the current waiting time for processing various categories of applications;

- incomplete applications (that is, not lodged with all necessary documents) was a common factor contributing to processing delays. Options to improve the lodgment process include encouraging self-assessment by applicants to reduce the number of unsuccessful applications. Establishing an information advisory service front-end can also result in quality applications being lodged; and
- the assessment process currently involves undertaking a number of manual checks and calculations which necessitate re-work. Incorporating measures into the assessment process and enhancing system support should assist assessors in improving the quality of visa decision-making by reducing errors and need for re-work.

Decision-making support

43. Effective decision-making support mechanisms assist accurate and timely visa processing and promote consistency of decision-making between processing centres. The key decision-making support mechanisms for business entry programs are administrative guidance, training and information technology systems.

44. Administrative decision-making is supported by the database LEGEND. LEGEND is an electronic legislative and procedural database, which includes the *Migration Act 1958* (the Migration Act), Migration Regulations, Procedures Advice Manual and the Migration Series Instructions. The administrative guidance available from these sources was less supportive for deciding Temporary Business Entry (Long Stay) cases than it was for the Business Skills Class.

45. DIMA has sought to address training needs offshore and onshore in recent years. For example, offshore, five Regional Training Units have been established worldwide, with responsibility for training on all migration matters, including business entry. Central Office seeks to coordinate and oversight training and has developed a web-site containing training module for the Program, although it has yet to include guidance on Temporary Business Entry (Long Stay) Sponsorship.

46. Notwithstanding DIMA's arrangements for training support, the ANAO found that the nature and quality of training support in locations varied in quality. The ANAO recognises that training arrangements do need to vary to appropriately target local requirements and risks due to differences in operating environment. However, the audit indicated that

staff in some locations considered that training needs were not being adequately addressed. The audit results also suggest training needs to better target some aspects of applications processing, and that appropriate practices should be more widely disseminated. Enhanced coordination of training activities by Central Office should improve accountability and integrity of decision-making and encourage the adoption of appropriate training practices by Business Centres and posts. It should also result in achievement and maintenance of core skills by decision-makers for better performance.

47. As identified above there are also opportunities for significantly enhancing system support to improve processes and aid decision-making.

48. DIMA's systems both onshore and offshore provide performance information for management to support decision-making. However, there were limitations in DIMA's ability to record or provide some important performance information, for example, on whether applications have been lodged with all supporting documentation and elapsed times for applications referred to external parties. At the time of the audit, DIMA was implementing a new processing system onshore, which is designed to enhance performance information for management purposes.

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 DIMA should give priority to recommendations 1,2,4 and 5.

Recommendation No.1
Para. 2.38 The ANAO recommends that, to gain adequate assurance on the achievement of Business Skills Class program outcomes and outputs, and compliance by applicants with the conditions of visas, DIMA enhance the survey reporting and monitoring process by ensuring:

- there is sufficient validation of information self-reported by visa holders that conclusions on economic outcomes are soundly based; and
- actions taken by officers to monitor visa-holders are consistent and occur according to documented guidance based on risk management principles.

DIMA: Agreed.

Recommendation No.2
Para. 2.49 The ANAO recommends that DIMA develop a cost-effective strategy to undertake structured monitoring and reporting of outcomes for Temporary Business Entry (Long Stay) visas.

DIMA: Agreed.

Recommendation No.3
Para. 2.57 The ANAO recommends that to monitor and manage processing times effectively, DIMA implement:

- as an internal management tool the use of visa-processing targets for overseas posts which reflect the impact of local factors on processing times; and
- systems to monitor the extent to which processing times are impacted by factors over which DIMA has limited control.

DIMA: Agreed.

Recommendation No.4
Para. 3.41 The ANAO recommends that, for integrity of decision-making to be consistent with desired program outcomes and outputs, DIMA ensure that its processing and decision-making practices for Temporary Business Entry (Long Stay) and Business Skills Class visas are supported by guidelines which assist the decision-maker to make informed decisions taking a risk-managed approach.

DIMA: Agreed.

Recommendation No.5
Para. 3.43 The ANAO recommends that DIMA implement quality assurance strategies for Temporary Business Entry (Long Stay) and Business Skills Class visas, which encourage the maintenance of appropriate standards, and inform and influence continuous improvement of applications processing.

DIMA: Agreed.

Recommendation No.6
Para. 4.22 The ANAO recommends that DIMA examine the cost/benefit of process improvement opportunities for Business Skills Class and Temporary Business Entry (Long Stay) visa applications processing, including reducing or eliminating time spent on activities not adding value and utilising technology support.

DIMA: Agreed.

Recommendation No.7
Para. 5.14 The ANAO recommends that DIMA enhance coordination of training activities in DIMA Business Centres and offshore posts through:

- ensuring training activities are tailored to skill staff in core competencies, once identified, and that they provide for supplementation for local requirements;
- identifying and encouraging appropriate training practices; and
- developing and distributing offshore and onshore training modules for Temporary Business Entry (Long Stay) Sponsorship.

DIMA: Agreed.

Audit Findings and Conclusions

1. Introduction

This chapter provides an overview of the business entry programs administered by the Department of Immigration and Multicultural Affairs (DIMA), focusing on the Business Skills and Temporary Business Entry (Long Stay) visa classes examined in the audit. The audit objective, criteria, scope, methodology employed and report structure are also discussed.

Background

1.1 The Department of Immigration and Multicultural Affairs (DIMA) administers programs for business and temporary entry with the objective of enabling the fast entry of genuine travellers and people of economic benefit to Australia while ensuring that border integrity is maintained and public health standards are met. In 1998–99, the cost of administering this activity was \$17 million, while the revenue derived from applications was \$33 million.

1.2 This audit focused on the administration of the business entry program, which is delivered through a range of permanent and temporary business entry options. DIMA Central Office coordinates policy and planning for the business entry program and provides support for service delivery in Australia and overseas. Visas are issued to offshore applicants through Australia's overseas network of diplomatic posts and consulates and through DIMA Business Centres, which operate within the Regional Office network in Australia.

1.3 Business Centres were established in July 1997 to integrate onshore business entry service delivery at one point. Processing of business visas is only one component of the immigration-related work undertaken at the DIMA Regional Offices and overseas posts. In the posts, other activities may take precedence at times, such as the processing of visitor visas during periods of peak demand.

1.4 DIMA officers are delegated to grant visas on behalf of the Minister of Immigration and Multicultural Affairs, in accordance with migration legislation, regulations and against eligibility criteria listed in regulations.

1.5 The main principle underpinning the Government's policy on the entry of business people is that of economic benefit to Australia. Business entrants are seen as bringing skills, knowledge and business practices that help create employment, generate exports and assist in the internationalisation of the Australian economy.

1.6 Because Australia competes for permanent and temporary business entrants with other countries, the international competitiveness of our business entry program potentially influences the achievement of program outcomes through client choice of destination.

Business entry visas

1.7 Permanent business visas allow successful applicants to settle in Australia; whereas temporary visas are issued to business people to visit Australia as part of their business operations or to conduct business in Australia for up to four years. The Independent Executive stream of temporary business entry is intended to provide a pathway to permanent entry. The permanent entry applicants are required to have established a main⁵ business within their visa validity.

1.8 Table 1 provides a brief description of business entry visa classes and mechanisms.

Table 1

Brief description of business entry visa classes and mechanisms

<i>Visa Class</i>	<i>Brief Description</i>
Business Skills Class ⁶	<p>These provide for the settlement (ie permanent migration) of business people:</p> <ul style="list-style-type: none"> • who will use their existing business skills to obtain a substantial ownership interest in a new or existing business in Australia and actively participate in that business at a senior management level; • who will invest in 'designated investments' in Australia; and • who have established a business in Australia as a temporary visa holder.

⁵ The criteria for a main business are specified in DIMA Regulations and require the applicant to have:

- an ownership interest of at least 10 per cent of the total value of the business in Australia;
- involvement in strategic management of the business; and
- the business is a 'qualifying' (that is, operated for the purpose of making profit and not operated as a speculative or passive investment) business.

⁶ In June 1991, the Joint Committee of Public Accounts recommended the replacement of the then Business Migration Program with 'a category of entry based on the assessment of business skills'. This formed the basis for the existing Business Skills Class visas for permanent entry.

Visa Class	Brief Description
Temporary Business Entry ⁷	<p>The Temporary Business Entry (Long Stay) visa allows Australian employers to sponsor overseas personnel for up to four years. Australian employers must qualify as either a Standard Business Sponsor (SBS) or a Pre-Qualified Business Sponsor (PQBS).</p> <p>The Temporary Business Entry (Long Stay) Independent Executive visa allows independent business people wishing to establish a business in Australia, to remain on a temporary basis for up to four years. This visa is only available to offshore applicants.</p> <p>The Business (Short Stay) visa allows business people wishing to visit Australia to remain for up to three months.</p>
Employer Nomination Scheme (ENS)/Regional Sponsored Migration Scheme (RSMS)	This scheme allows Australian employers to recruit on a permanent basis, highly skilled staff from overseas. The Regional Sponsored Migration Scheme (RSMS)'s focus is on regional areas.
Labour Agreement (LA)	This is a formal arrangement negotiated between the Commonwealth Government, employers and unions/professional associations to recruit overseas a specified number of workers for defined vacancies in response to identified labour market shortages. A Labour Agreement may involve permanent and temporary visas.
Regional Headquarters Agreement (RHA)	This provides streamlined immigration processing for expatriate personnel for companies that have been endorsed by the Department of Industry, Science and Resources. This involves permanent and temporary visas.

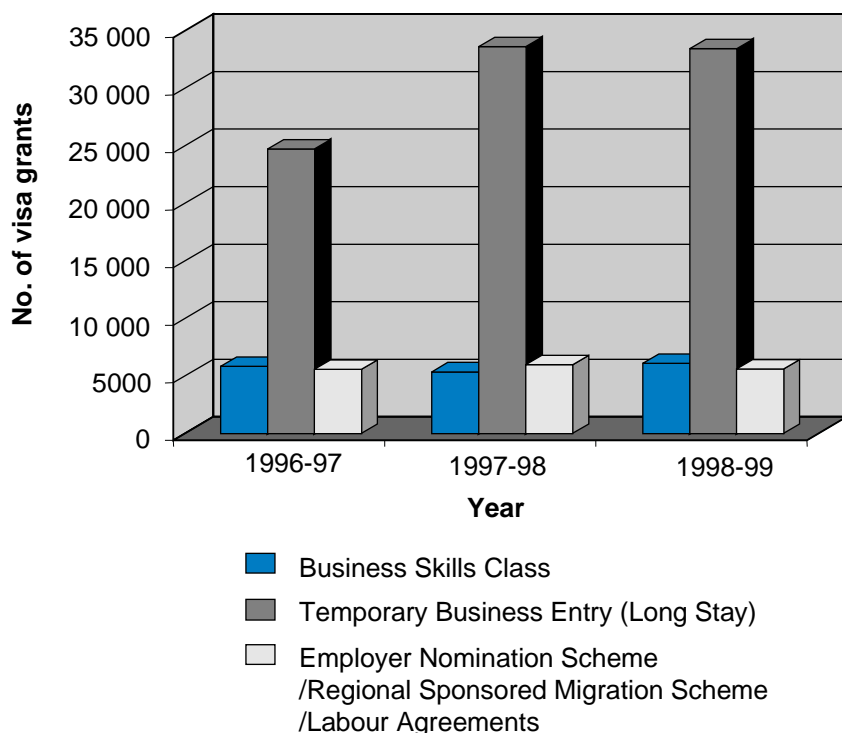
1.9 This audit focused on the Business Skills Class (BSC) and Temporary Business Entry (Long Stay) (TBE), a full description of these two visa classes is provided at Appendix 1.

1.10 Figure 1 shows the number of business entry visas granted during the last three years. The business entry program is demand driven⁸ in contrast to some other visa programs, as the primary test for the business entry program is 'benefit to Australia'. The permanent business visas granted contribute to the annual migration intake.

⁷ TBE visas result from Government acceptance of recommendations in the Report by the Committee of Inquiry into the Temporary Entry of Business People and Highly Skilled Specialists in August 1995, chaired by Neville Roach. This approach was based on administering the temporary entry of business personnel with a "light touch" up front, backed up by vigorous monitoring.

⁸ There are no restrictions on the intake of entrants in this category.

Figure 1
Numbers of business entry visas issued⁹



The audit objective and methodology

1.11 The objective of the audit was to assess the administrative effectiveness of the business entry program against the background of DIMA's Business and Temporary Entry program objective, (see paragraph. 1.1 for DIMA's objective) with particular regard to whether:

- performance management mechanisms and compliance monitoring strategies support the achievement of program outcomes and output;
- the quality of decision-making is consistent with program objectives;
- business processes facilitate prompt visa decision-making consistent with program objectives; and
- decision-making support mechanisms provided to processing staff promote robust and timely decision-making.

⁹ The number of visas issued includes principal and secondary applicants. The principal applicant is assessed by DIMA against criteria for the relevant business visa, and the secondary applicants are dependants.

1.12 Criteria were derived from recognised good practice in performance management, compliance monitoring and process design and delivery in the public and private sectors.

1.13 The methodology comprised:

- examining a statistically selected sample of case files finalised in program year 1998–99. The ANAO sought advice from ORIMA Research Pty Ltd (ORIMA) on both sample design and the analysis and interpretation of results;
- undertaking fieldwork at four DIMA offices offshore and three onshore (there are 82 offices offshore and 8 Business Centres onshore). DIMA offices audited offshore were Hong Kong, Jakarta, Pretoria and London. The onshore offices audited were the Rocks, Melbourne and Brisbane Business Centres. The offices audited were responsible for processing 68 per cent of the total BSC visa caseload and 50 per cent of the total TBE caseload during 1998–99. (See Appendix 2 for details of visas processed at the offices audited.) The ANAO also conducted some limited fieldwork at the Australian High Commission at New Delhi using a case study approach of observations, interviews with relevant staff and a review of a small number of finalised case files. The overall audit approach was pilot tested at the Rocks Business Centre;
- applying business process reengineering techniques such as developing maps of applications processes, and holding focus group discussions with DIMA staff to identify opportunities for improvement. The ANAO engaged the services of Reengineering Australia to provide expert advice on the business process reengineering methodology, analysis and findings of the audit;
- file examination and interviews with DIMA staff at the offices visited;
- discussions with stakeholders such as the Australian Chamber of Commerce and Industry (ACCI), Department of Employment, Workplace Relations and Small Business (DEWRSB), Migration Institute of Australia (MIA) and chair of the Business Advisory Panel¹⁰; and
- an analysis of business entry processing data held in DIMA's IT systems. The analysis would assess the accuracy and validity of this data and verify program outcomes.

¹⁰ The BAP was established in 1996 to provide the Minister for Immigration and Ethnic Affairs with advice on DIMA's business entry programs. Its 10 members were chosen to reflect the industry groups comprising DIMA's clientele.

1.14 Individual elements of the business entry program including the BSC, TBE, ENS/RSMS, LA have been reviewed¹¹ within the last five years by bodies including the Business Advisory Panel. The ANAO had regard to these reviews in planning and conducting the audit.

1.15 The concepts underpinning ENS/RSMS, LA and RHA focus on testing onshore the Australian employer's suitability for sponsorship. Having regard to this and the prior reviews, the audit focused on the administration of the business skills migrant and resident classes (BSC) and Temporary Business Entry (Long Stay) (TBE) visas as the areas of high risk and where audit examination would add most value.

1.16 As indicated in paragraph 1.13 above, the ANAO planned to analyse DIMA's computer data holdings relating to BSC and TBE processing undertaken in 1997–98 and 1998–99. The analysis would have provided another dimension¹² on administrative effectiveness and achievement of program outcomes. The ANAO engaged Business Catalyst International to undertake preliminary analysis of the data in order to determine its quality and to establish whether the data was suitable for further analysis. Based on preliminary analysis of the data and the consultant's recommendations the ANAO decided not to proceed further with the data analysis.

1.17 The audit was conducted in accordance with the ANAO Auditing Standards at a cost of \$375 000.

¹¹ *Business Entry in A Global Economy*, Business Advisory Panel, Commonwealth of Australia, August 1999

Temporary Business Entry to Australia—Views of Companies and Migration Agents, CEDA Information Paper No.63, Committee for Economic Development of Australia, August 1999

Review of the Regional Sponsored Migration Scheme, Business Advisory Panel, November 1998

Processing of Business Skills Class Visa Applications—Program Year 1996–97, Internal Audit, DIMA, February 1998

Review of the Employer Nomination Scheme and Labour Agreements, External Committee of Review, Chairman Dr. Ian Lin, March 1997

Investing in the Future—The First Year of Business Skills (Investment Linked) Migration, December 1995

Business Temporary Entry—Future Directions, External Committee of Review, Chairman Neville Roach, August 1995

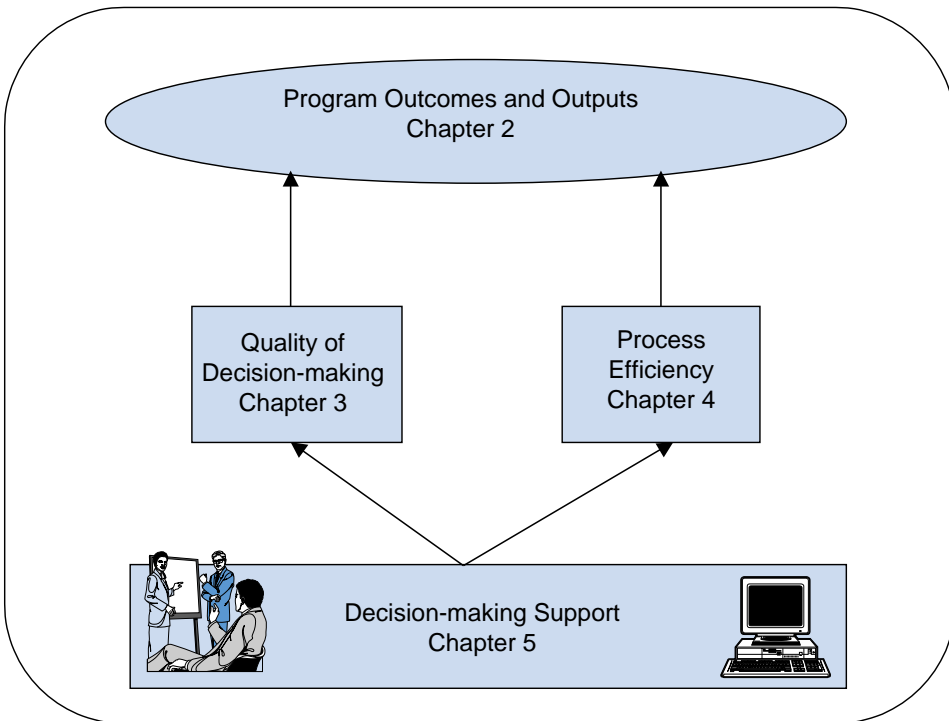
Migration of Business People to Australia—Directions for Change, Business Skills Assessment Panel, March 1994

¹² As part of this analysis the ANAO was proposing to comment on: the completeness and validity of the administrative and management information in support of the program; the management information and trends relating to acceptance rates, average processing times, tribunal review outcomes; outcome indicators such as grants of citizenship, business migrants remaining in the country and temporary entrants gaining permanent migration status; and information on the categories of 457 cases.

Report structure

1.18 The report structure is based on the objectives of the audit and is summarised in Figure 2. Chapter 2 examines monitoring and reporting of business entry program outcomes and outputs. Chapters 3 and 4 examine the two factors, which contribute to the achievement of program outcomes and outputs: quality and timeliness of decision-making. Chapter 5 examines administrative guidance, training and system support as mechanisms that assist visa decision-making.

Figure 2
Report structure



2. Program Outcomes and Outputs

This chapter examines monitoring and reporting of business entry program outcomes and outputs. While DIMA undertakes a range of activities to monitor and manage performance, strengthening of BSC monitoring and outcome reporting across all business entry visa classes would increase assurance that outcomes were being achieved.

Introduction

2.1 The 1999–2000 Portfolio Budget Statements consider the overall outcome of ‘the lawful and orderly entry and stay of people’, in terms of output measures (numbers of visas processed and the time taken to process against service standards) as well as in terms of specific outcomes, being the extent to which:

- there is adherence to Australian entry and stay requirements;
- Australia meets its obligations under international humanitarian law in a fair, just, efficient and timely way;
- non-humanitarian migration to Australia is administered with integrity, in line with Government planning levels; and
- migrants make a positive contribution to Australia’s economy.

2.2 The business and temporary entry programs contribute to the achievement of this outcome and output framework.

2.3 This chapter assesses BSC and TBE outcome monitoring and reporting arrangements in terms of ensuring visas are granted to people of economic benefit to Australia; and outputs in terms of timeliness of processing, which is identified by DIMA as a key program output in its 1999–2000 Portfolio Budget Statements.

2.4 Additional perspectives for assessing the achievement of program outcomes and outputs are also considered in this chapter. They are:

- stakeholder views;
- benchmarking the performance of the business entry program with other countries; and
- client service, including complaints handling.

Outcomes and outputs monitoring and reporting

2.5 Outcome and output reporting for individual visa classes, together with monitoring of individual business entrants, provides the basic information from which the overall achievement of program outcomes can be assessed. Monitoring of visa-holders also enables compliance with visa conditions to be assessed.¹³

2.6 The ANAO found that DIMA Central Office undertakes a range of monitoring activities relating to TBE and BSC visas including monitoring, analysing and managing trends in the visa caseload, through Business Centre and overseas post reporting, provision of case advice and use of management information systems. For example, management information on visa outputs and outcomes provided input into the decisions to, remove onshore access to the TBE Independent Executive visa from November 1997, and to the strategic targeting of specific industry sectors such as the Information Technology industry through the Migration Occupations in Demand List.

Business Skills Class visa monitoring and reporting

2.7 The objective of the Business Skills Class is to:

- develop links with international markets;
- create or maintain employment in Australia;
- export Australian goods or services;
- produce goods or provide services that would otherwise be imported into Australia; and/or
- increase commercial activity and competitiveness within sectors of the Australian economy.¹⁴

2.8 DIMA collects data on business outcomes self-reported by BSC migrants in its Post-Arrival Surveys. The Surveys are held 24 and 36 months after arrival. The 24 month survey does not include the majority of BSC settlers issued visas onshore¹⁵. This has particular relevance for DIMA's ability to assess its program outcomes for business

¹³ The BAP has commented recently that comparison with practices in other countries indicated that Australia's monitoring and evaluation of permanent and temporary business entrants and their sponsors is the most comprehensive. *Business Entry in A Global Economy*, Business Advisory Panel, Commonwealth of Australia, August 1999. p.11.

¹⁴ *Migration Act 1958*, Commonwealth of Australia.

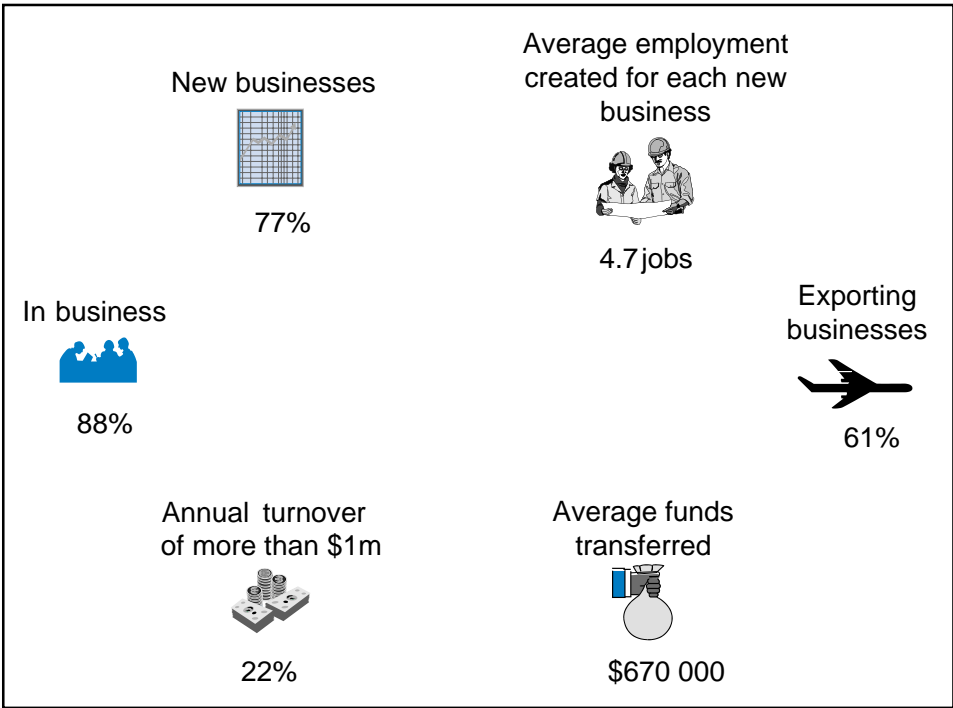
¹⁵ The two onshore BSC visa subclasses which comprise the majority of BSC visas issued onshore (Established Business in Australia and Regional Established in Australia—See Appendix 1 for details) are exempt from the 24 month survey process. This is because these visa holders have already established business in Australia and are therefore not subject to BSC visa cancellation provisions.

entrants who apply for temporary entry through Independent Executive visa stream and subsequently apply onshore for BSC visa. This is considered further in paragraph 2.45. DIMA has advised that the 36 month survey includes all BSC visa holders¹⁶.

2.9 The results of the recent 36-month survey are shown in Figure 3 and are based on 441 survey participants who had arrived in Australia during 1994–95 and responded to the survey.

Figure 3

Economic benefits reported by 441 Business Skills Class settlers arriving in Australia during 1994–95 and surveyed after 36 months.



2.10 In aggregate terms, survey respondents had:

- transferred \$295 million to Australia;
- invested \$500 million in their businesses;
- created almost 1400 jobs; and
- achieved over \$33 million in annual export earnings.

¹⁶ The purpose of this survey is to largely report on the overall outcomes of the program.

2.11 The outcome surveys serve two purposes, to provide:

- information on economic outcomes; and
- basis for monitoring compliance with visa conditions.

2.12 These are discussed separately below.

Assessing economic outcomes

2.13 The results of the Post-Arrival Surveys are used extensively by DIMA to report on the economic impact of permanent business migration (largely for BSC visas granted offshore). Actions by DIMA to provide assurance on the self-reported data from the surveys include:

- assessing survey forms to identify inconsistencies or issues of concern in the information provided;
- checking company details, where possible, with the Australian Securities and Investments Commission. Around 114 companies were checked during 1998-99;
- occasional checking of business bona fides through site visits. Six site visits have been undertaken between January 1998 and November 1999; and
- comparing respondent's claims against aggregated data from previous business settlers, such as against businesses in the same industry.

2.14 While providing a level of assurance on the accuracy of the survey data, these measures do not systematically validate some key economic reporting criteria, such as business income, number of employees, business assets and export turnover. DIMA indicates in its survey questionnaire that the information will also be used on an individual basis to verify the visa-holder's efforts to engage in business. However, the ANAO found this was not occurring. Site visits have the potential to validate data such as the number of employees, but relatively few site visits have been undertaken compared to the number of settlers engaged in business.

2.15 DIMA considers that the Longitudinal Survey of Immigrants in Australia¹⁷ (LSIA), provides some validation of the information provided in the outcome surveys. However the ANAO notes the LSIA is not targeted to business migrants since it applies to all permanent migration categories and focuses on settlement issues. The validation of information

¹⁷ The LSIA is designed to collect and disseminate information about 5000 recently arrived migrants and accompanying family members, reflecting the experiences of settlement in Australia over a period of time, from their pre-migration arrangements through until three years after their arrival. The broad objective of the Survey is to provide Commonwealth and other agencies with reliable data with which to monitor and improve immigration and settlement policies, programs and services.

has been limited to date, for example, out of 988 respondents to the 24 month survey, only 116 cases were matched on funds transferred to Australia by Business Skills Class migrants. This data provides broadly accurate estimates of aggregate funds transferred but revealed considerable inconsistencies in the individual data reported by business settlers.

2.16 As the Post-Arrival Surveys are a substantial element of reporting on the outcomes of the business entry program, more systematic validation of information would provide adequate assurance on the effectiveness of the Program and that conclusions on economic benefits achieved by the program are soundly based. Systematic verification of outcome data would also:

- reduce the risk that positive economic benefits may be under/overstated and policy decisions may be based on incorrect information; and
- increase the likelihood of survey participants providing accurate information.

2.17 A possible and cost-effective approach to enhancing the validation of survey information would be through undertaking systematic checks on a proportion of the respondents.

2.18 The ANAO notes the survey is based on responses to a questionnaire that is signed by the applicant, with a maximum penalty of a fine of up to \$5000 for providing false information. Mandatory completion of a statutory declaration could provide a higher level of certainty that the information provided is not false or misleading. DIMA advised that this has now occurred.

Monitoring of compliance with conditions of the visa

2.19 The survey and reporting process also provides for monitoring of compliance with visa conditions. After DIMA staff have examined the survey responses to identify respondents not engaged in an eligible business and not demonstrating a genuine effort to engage in business¹⁸, they have a discretionary power to cancel the visa. The monitoring process is outlined at Appendix 3.

¹⁸ In determining 'genuine effort' the Minister for Immigration and Multicultural Affairs may take account of, among other matters:

- business proposals that have been developed;
- existence of partnership arrangements; and
- the periods the person has been resident in Australia.

2.20 A Notice of Intention to Cancel may be sent up to 36 months after arrival, but no later. Visa cancellation can only occur after a Notice of Intention to Cancel has been sent. The 24 month survey is the only structured opportunity to test business activity or intentions in time to commence visa cancellation. Table 2 shows the results of recent monitoring at the 24 month point.

Table 2

24 month monitoring of 1061 Business Skills Class migrant arrivals for 1995–96

Monitoring not required	Investment-linked, established business in Australia subclasses ¹⁹			81
Monitored migrants	Survey forms returned	Engaged in business	687	905
		<i>Not yet engaged in business</i>	190	
		No longer in business	28	
	Visas subsequently cancelled			17
Monitoring discontinued	Death of principal applicant or ill health of family			6
	<i>Migrant not contactable</i>			52
			Total	1061

2.21 The ANAO found the report based on Post-Arrival Surveys prepared by DIMA analyses only the survey forms returned without indicating the number of non-respondents shown in Table 2. The ANAO considers the survey response rate is a significant indicator of the usefulness and validity of the survey to measure compliance with visa conditions and should be reported. DIMA advised that forthcoming reports will indicate the survey response rate.

2.22 Table 2 also highlights two groups where there are prima facie risks that business visas have been obtained to gain residency rather than with a genuine intention to conduct business in Australia. These groups are those settlers who are:

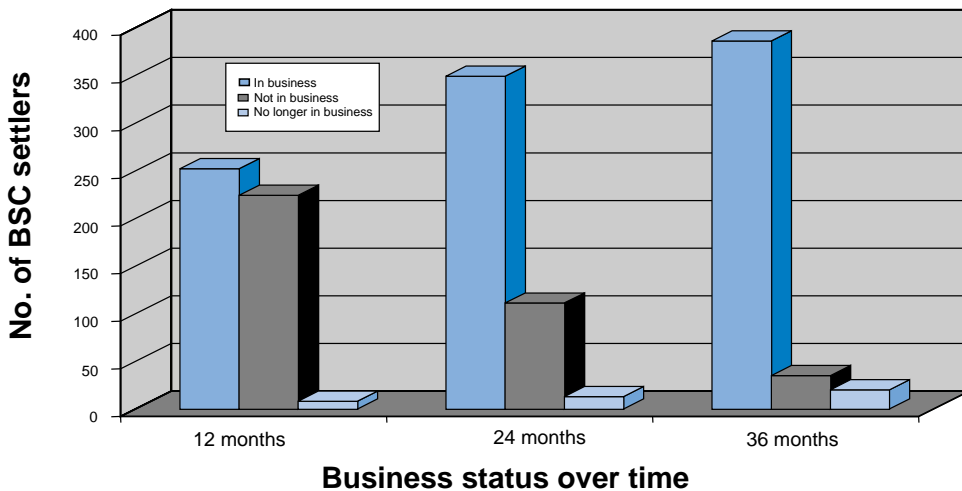
- not contactable; and
- not yet engaged in business in Australia.

2.23 For those who are not contactable, there can be valid reasons for apparent non-compliance, including being overseas on business. Similarly, those not in business in Australia may have a genuine intention to establish a business but be facing initial difficulties. Figure 4 shows the lead times for BSC settlers to engage in business.

¹⁹ Monitoring is not undertaken for these visa classes as the Investment-linked visa holders have deposited a fixed term investment in a State Treasury bond in lieu of the requirement to go into business and the established business in Australia visa holders have had their businesses assessed in the visa grant process.

Figure 4

Business status of 1994–95 Business Skills Class arrivals over time



BSC settlers who are not contactable

2.24 DIMA has the power to fine survey non-respondents a sum of \$5000. Once this debt to the Commonwealth has been incurred, DIMA has the power to stop and query these people at the border should they travel in and out of Australia. DIMA has not used this power to date. During the course of the audit DIMA indicated that it proposes to use these powers from January 2000.

2.25 To facilitate contact with settlers, DIMA is also in the process of arranging information sharing arrangements with the Health Insurance Commission to determine the street addresses of non-responding but resident migrants.

2.26 The ANAO considers these measures are likely to strengthen DIMA's ability to obtain compliance with the visa condition to complete a survey form.

BSC settlers not yet engaged in business

2.27 DIMA undertakes a range of visa compliance checks for settlers who are not yet engaged in business in Australia at the 24 month survey point. These include:

- assessing information provided in survey forms to identify issues of concern;
- following-up inadequate responses, with the ultimate sanction of visa cancellation;
- undertaking movement checks, to establish the proportion of time spent by the principal applicant and family in Australia; and

- undertaking checks with the Australian Securities and Investments Commission (ASIC) checks, where the visa-holder has subsequently claimed to have established a company²⁰.

2.28 Depending on the results of these checks, DIMA may send a Notice of Intention to Cancel to the last known address as the first step in visa cancellation. Twenty such notices were issued between July and December 1999. Prior to this period DIMA did not record information on number of such Notices issued.

2.29 The ANAO examined a sample of 10 survey case files to test the effectiveness of compliance actions where the visa-holder had not been in business at the 24 month point. The ANAO found in the majority of cases DIMA had appropriately followed up the respondents by requesting and analysing additional information in time to process visa cancellations. However, in two cases the monitoring procedures were considered to be inadequate in terms of follow-up procedures. The case study below illustrates one of these cases.

Case Study

Following grant of a BSC visa, the visa-holder arrived in Australia on 5/1/96.

The visa-holder responded to the 24 month survey indicating he was not yet in business, whereupon, DIMA requested additional information on 21/7/98 and took the preliminary step of recording the visa holder on the Visa Cancellation register for possible cancellation. One of the visa-holder's dependants then responded on his behalf. Due to the inadequacy of the response DIMA requested further information on business activities.

In the meantime, Australian citizenship was granted to dependants of the visa-holder while a movement check conducted on 21/7/98 indicated the principal visa-holder had spent only thirty days in Australia, with the last visit in October 1996.

The visa-holder responded on 25/9/98, again with limited information. DIMA requested further information during a phone conversation with one of the visa-holder's dependants.

With no further information received, DIMA sent a standard letter on 11/12/98, requesting completion of the 36 month survey and allowing the visa-holder until 1/2/99 to return the form. The letter stated *This is the final survey you need to complete to fulfil the requirements of your Business Skills visa.*

Case Study continued next page

²⁰ This facility has been available since August 1998.

The latest return date was after the last possible date (5/1/99) for progressing visa cancellation procedures.

The visa-holder provided a completed 36 month survey dated 29/1/99. The survey response was accompanied by documentary evidence of formation of a company and funds transferred to Australia. DIMA did not verify any of the information self-reported in the survey, such as checking the company details with ASIC.

Instead, DIMA responded to the visa-holder on 1/2/99, stating he had now fulfilled his obligations as a Business Skills visa holder.

2.30 The case study indicates that DIMA could have taken the following actions to ensure the adequacy of the follow-up process:

- issue a Notice of Intention to Cancel the visa on receiving a second inadequate response from the visa holder in September 1998. This would have provided DIMA with an opportunity to follow-up with the visa holder prior to the 36 month deadline beyond which visa cancellation procedures cannot be commenced; and
- ensured that the latest return date for the 36 month questionnaire was prior to the last possible date for visa cancellation procedures.

2.31 DIMA has subsequently advised that the implementation of an improved management information system has allowed case histories for individual clients to be monitored more effectively.

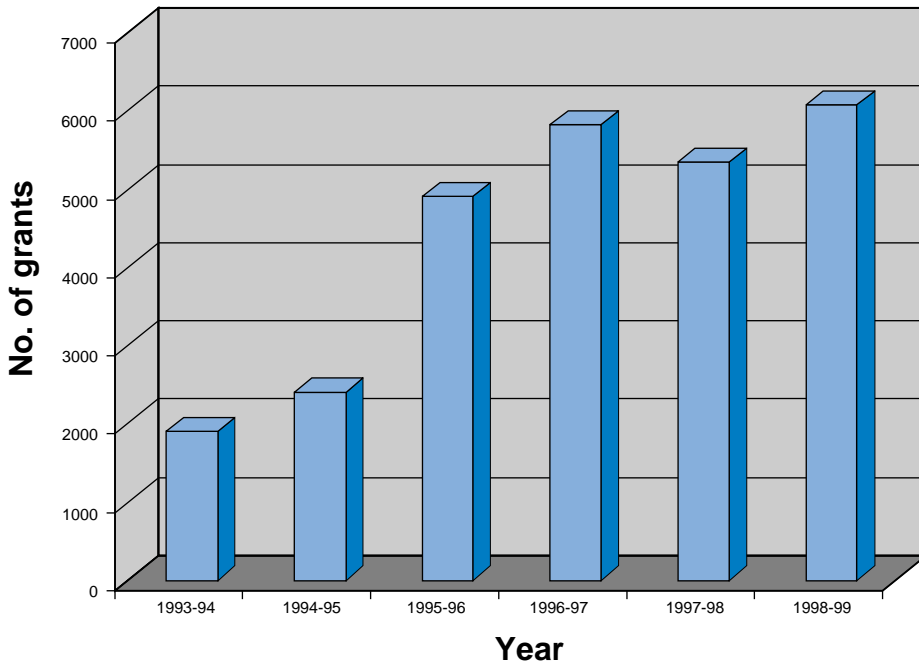
2.32 The ANAO considers that the current compliance and checking processes, including ASIC and movement checks, provide useful information to support decisions on visa cancellation for individual cases. DIMA actions and decisions examined by the ANAO have largely been consistent with the discretionary power to investigate compliance with visa conditions.

2.33 Nevertheless, the present compliance monitoring process relies heavily on the corporate knowledge and skills of existing staff. There are no guidelines for DIMA's monitoring process to ensure a consistent and risk managed approach to monitoring. Such structured guidance based on risk management principles would increase the level of confidence that business settlers are genuine in their intention to establish businesses and reduce the risk of inadequate departmental follow-up.

2.34 Such guidance could address the need for undertaking the various checks, based on risk profiles, and provide for periodic examination of a sample of visa-holders. This approach would help DIMA manage the increasing monitoring workload resulting from the increase in visa issues in recent years (see Figure 5).

Figure 5

Grant of Business Skills Class visas since 1993–94—including principal and secondary applicants



2.35 The perceived robustness of post-arrival monitoring can however impact on the work practices in posts. The ANAO found that staff at some overseas posts expressed little confidence in post-arrival monitoring and consequently err on the side of over-checking at the front end in some cases. While the ANAO recognises that preventive controls are desirable, the level of front-end checking and post-arrival monitoring should be balanced to deliver maximum efficiencies. Improved post-arrival monitoring should lead to more widespread confidence in the process, with the potential to reduce processing times in posts and overall costs.

Conclusion—Business Skills Class visa monitoring and reporting

2.36 The surveys indicate that Business Skills migrants deliver economic benefits to Australia. However, adequate assurance on the achievement of Business Skills Class program outcomes would be better obtained if information self-reported by visa holders was validated more systematically than at present.

2.37 DIMA uses the survey process to monitor the compliance of visa-holders with the conditions of their visa. While the current compliance and checking processes provide useful information to support decision on visa cancellation, the monitoring process relies heavily on the corporate knowledge and skills of existing staff. The effectiveness of this monitoring could be enhanced if guidelines were developed to ensure a consistent and risk managed approach to monitoring. This would increase the level of confidence that business settlers are genuine in their intention to establish businesses and reduce the risk of inadequate follow-up by DIMA.

Recommendation No.1

2.38 The ANAO recommends that, to gain adequate assurance on the achievement of Business Skills Class program outcomes and outputs, and compliance by applicants with the conditions of visas, DIMA enhance the survey reporting and monitoring process by ensuring:

- there is sufficient validation of information self-reported by visa holders that conclusions on economic outcomes are soundly based; and
- actions taken by officers to monitor visa-holders are consistent and occur according to documented guidance based on risk management principles.

DIMA response

2.39 Agreed. Australia is one of the few countries that undertakes detailed post-arrival surveying of business migrants. While measures are in place to validate the survey data, DIMA agrees that this could be further improved.

Temporary Business Entry (Long Stay) visa monitoring and reporting

2.40 The objectives of the Temporary Business Entry (Long Stay) (TBE) stream result from Government acceptance of the key recommendations of the Roach report²¹. TBE is based on the premise of streamlined entry procedures supported by effective monitoring measures as the 'control balance'. The underlying principle is of economic benefit to Australia. The objectives of the recommendations were:

- enhanced skills transfer;

²¹ *Business Temporary Entry: Future Directions*, Report by the Committee of Inquiry into the Temporary Entry of Business People and Highly Skilled Specialists, Chairperson Neville Roach, Commonwealth of Australia, August 1995.

- greater use of Australia's multicultural workforce as overseas companies likely to make more use of their skills are attracted to Australia;
- greater competitiveness;
- greater employment and economic activity;
- removal of the risk that opportunities for Australians seeking employment overseas might be precluded if our policies are seen to be overly restrictive; and
- greater integration into the international business environment, in particular the Asia Pacific region.

2.41 The Government implemented the recommendations and arrangements proposed in the Roach review on 1 August 1996, resulting in the creation of the current Temporary Business Entry categories. The review, stated that:

The development of an effective and mandatory monitoring and evaluation system underpins the primary objective of the proposed changes...

...an effective monitoring and reporting system will...assist in the evaluation of the proposed new arrangements in terms of their policy and procedural effectiveness...

...an effective monitoring and reporting system will require a commitment to provide adequate resources.

TBE Sponsorships

2.42 In addition to the monitoring activities outlined at paragraph 2.6, DIMA uses its management information systems to monitor the number of sponsors and nominations within labour market sectors. This allows early and ongoing assessment of labour market impacts. It has also established a monitoring framework to assess compliance with sponsorship conditions. This framework is documented in DIMA's Procedures Advice Manual. DIMA has indicated the framework strategically targets sponsors in a way that balances resource considerations with the view that monitoring should be considered integral to ongoing activity. (Since the acceptance by the Government of the Roach Committee recommendations, there has been approximately a 34 per cent increase in principal applicant visa grants in 1997-98 to 17 000).

2.43 Although there is a monitoring framework for business sponsors, the ANAO found little compliance at DIMA offices with these guidelines. DIMA advised that unexpected growth in the TBE Sponsorship caseload has resulted in Business Centres and offshore posts assigning priority to

processing rather than monitoring. The result is that, in general, case officers only pursue cases where unsolicited information is provided by the public or where processing staff identify an inconsistency in the application information provided.

2.44 DIMA considers that temporary business entry delivers ‘tangible benefits to Australia through employment creation; enhancement of Australia’s skill and technology base; development of cutting edge technologies and industries; and increased competitiveness and an expansion of international trade and trading links’²². However, the ANAO found there is no quantitative or qualitative analysis to support this assessment.

TBE Independent Executive

2.45 As mentioned in paragraph 1.5, the Independent Executive category is intended to provide a pathway to permanent entry for business people. Its growth, (see Figure 5) has been such that Independent Executives are expected to be a major stream of subsequent permanent business entry. The purpose of this category is to allow business people who wish to permanently establish business in Australia to remain on a temporary basis for up to four years and settle into business before applying for permanent migration.

2.46 There is no monitoring and assessment of business outcomes achieved by these entrants whilst holding temporary visas, nor are their business outcomes assessed, if they obtain permanent business status onshore (see paragraph 2.8 and 2.13). As a result, there is no means of assessing the outcomes from this business entry stream.

2.47 The ANAO notes that although not part of the detailed audit focus, the ANAO also could not identify structured outcome reporting for other business entry visa classes, such as the Employer Nomination Scheme and Labour Agreements.

Conclusion—Temporary Business Entry (Long Stay) visa monitoring and reporting

2.48 The ANAO concludes that DIMA has not implemented a systematic or structured approach to monitoring and reporting outcomes for TBE visa holders. The implementation of structured monitoring and reporting for Temporary Business Entry (Long Stay) visas would provide:

- more informative data on program performance;
- better information for the development of policy options; and
- increased accountability for program outcomes.

²² *Benefits of Temporary Entry*, Fact Sheet 60, DIMA, 1999

Recommendation No.2

2.49 The ANAO recommends that DIMA develop a cost-effective strategy to undertake structured monitoring and reporting of outcomes for Temporary Business Entry (Long Stay) visas.

DIMA response

2.50 Agreed. The Temporary Business Entry (Long Stay) category has been subject to ongoing monitoring since its establishment in 1996. This monitoring has resulted in a number of modifications to its operation. Nevertheless, DIMA agrees that our monitoring could be made more systematic. Work is underway to develop an improved monitoring framework for Temporary Business Entry monitoring.

Processing times

2.51 Timeliness of processing is a key program output as identified in the Business and Temporary Entry program objective and the 1999–2000 Portfolio Budget Statements and is raised consistently by stakeholders.

Visa-processing time service standards

2.52 DIMA Business Centres and overseas posts report processing times against published service standards through statistical and narrative reports based on the number of cases finalised within the service standard and cases on-hand. The service standards for the business entry program applying from 1 July 1999 were published in the 1999–2000 Portfolio Budget Statements and are shown in Table 3.

Table 3

Service standards for timeliness of applications processing—applying from 1 July 1999²³

Visa class	Onshore		Offshore	
	High risk	Low risk	High risk	Low risk
Business skills class	6 months	6 months	6 months	6 months
TBE Sponsorship	16 weeks	3 weeks	12 weeks	3 weeks
TBE Independent Executive	N/A	N/A	16 weeks	3 weeks

²³ Explanatory notes accompanying the table in the Portfolio Budget Statements.

- All standards are the median time from application to finalisation.
- High risk is defined as those nationalities for whom Electronic Travel Authority is not available.
- No difference between high and low risk caseloads for BSC because category is highly prescriptive, dependent upon international standards.

2.53 Prior to 1 July 1999, there were no service standards offshore for BSC or TBE Independent Executive visa processing. The service standards for TBE Sponsorship visas and BSC were introduced onshore from June 1997.

2.54 In practice processing times vary widely even having regard to the classification of posts as high and low risk (see Table 4 below). Thus the service standards are of limited value for local performance management in posts which cannot meet the service standards. The ANAO accepts that the introduction of localised service standards for each post and visa class would not be practical or desirable. However, there would be merit in considering localised visa-processing targets which reflect the impact of local factors on processing times to facilitate a focus on client service.

Table 4:

Median processing time in months for Business Skills Class visas during 1998–99²⁴

<i>Post</i>	<i>Business Owner</i>	<i>Senior Executive</i>	<i>Investment linked</i>	<i>Risk classification of post²⁵</i>
Hong Kong	21.7	10.1	23.2	High
Jakarta	13.4	11.8	20.4	High
Pretoria	7.1	6.7	10.6	High
Singapore	11.5	8.2	7.9	Low
Los Angeles	10.2	2.9	6.6	Low
London	2.9	1.7	4.2	Low

Processing time factors over which DIMA has limited control

2.55 Visa processing times are also affected by factors over which DIMA has limited control, including whether applications have been lodged fully completed and the time taken to undertake health and character checks. The ANAO analysed the timeliness of a sample of 1998–99 visa decisions, excluding delays caused by factors over which DIMA has limited control. Such as time to obtain police and medical clearances. The ANAO found that even allowing for these factors only 31 per cent of BSC applications and 15 per cent of TBE Independent Executive applications finalised offshore would have met the service standards, which have now been introduced. Whilst the standards did

²⁴ Source: DIMA Migration Program Management System.

²⁵ DIMA has advised that a post may be overall assessed as a high risk post but elements of the case load may be assessed as posing a lower risk as is the case with the BSC caseload in Pretoria.

not apply in 1998–99 it does indicate that DIMA has challenging task in meeting these standards offshore for 1999–2000. Chapter 5 provides an additional analysis of processing timeframes with a view to identifying opportunities for improvement.

2.56 Until recently, performance statistics on visa-processing times did not take account of external delays. The ANAO understands that with the recent implementation of the onshore IT system, DIMA will have the capability to provide onshore performance statistics which do take account of external delays. However, similar performance statistics cannot be gathered offshore except through a manual recording and analysis process which does not presently occur. DIMA envisages this will happen when ICSE is implemented offshore.

Recommendation No.3

2.57 The ANAO recommends that to monitor and manage processing times effectively, DIMA implement:

- as an internal management tool the use of visa-processing targets for overseas posts which reflect the impact of local factors on processing times; and
- systems to monitor the extent to which processing times are impacted by factors over which DIMA has limited control.

DIMA response

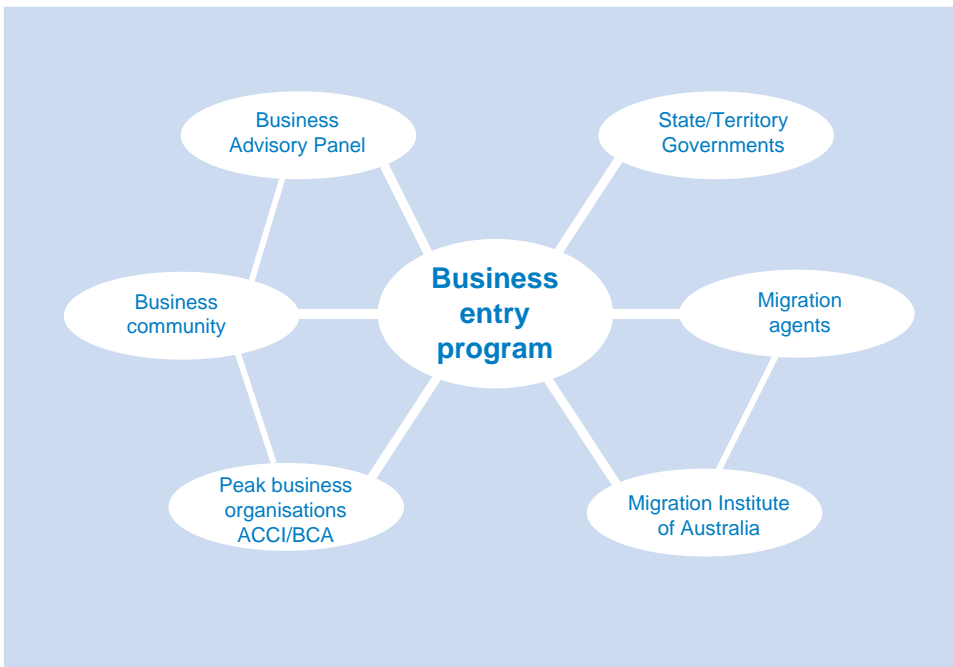
2.58 Agreed. Implementation of this recommendation will enhance our management capacities in overseas posts.

Additional perspectives to assess achievement of program outcomes and outputs

Stakeholder views and assessments

2.59 Stakeholder views also inform the extent to which program outcomes and outputs are being achieved. The key external stakeholders for the business entry programs are shown at Figure 6.

Figure 6
External business entry program stakeholders



2.60 The Business Advisory Panel²⁶ (BAP) prepares reports giving a stakeholder perspective on the business entry programs. The BAP was established in 1996 to provide the Minister for Immigration and Ethnic Affairs with advice on DIMA's business entry programs. Its 10 members were chosen to reflect the industry groups comprising DIMA's clientele.

2.61 Through its recent reviews the BAP has indicated that the business entry programs are generally well regarded and are producing positive outcomes of benefit to Australia. However, the BAP also identified the need for improved service standards, faster processing times (particularly overseas) and simpler procedures.

2.62 Recent reporting by the Committee for Economic Development of Australia (CEDA)²⁷ has provided a comprehensive summary of the views of companies and migration agents, concerning temporary business entry. The principal findings were as follows:

- stakeholders were positive about the 1996 changes to Temporary Business Entry, the DIMA Business Centre structures and the service they were receiving from staff;

²⁶ The Chairman of the BAP, Neville Roach, is also Chairman of the National Multicultural Advisory Council and Chairman of Fujitsu Australia.

²⁷ *Temporary Business Entry to Australia—Views of Companies and Migration Agents*, CEDA Information Paper No.63, Committee for Economic Development of Australia, August 1999

- migration agents were concerned that small businesses have trouble proving their bona fides;
- migration agents were concerned about inconsistency between Business Centres on evaluating the business characteristics of small ventures;
- there was concern over delays in processing of TBE applications by overseas posts, including that delays in processing TBE Independent Executive and TBE Overseas Sponsored visas were causing ‘business to be lost’;
- confusion over the suitability of the migration pathways of business visitor visas to TBE and on to permanent migration;
- concern over staff turnover in Business Centres and training to address this; and
- concern over staff understanding at overseas posts of business requirements and the level of associated training.

2.63 The submission by the Migration Institute of Australia²⁸ to the BAP’s 1999 Review of Business Programs noted that *‘in general terms, we favour retaining the major business categories in their current or similar form...what we are suggesting is fine tuning rather than wholesale changes’*. Specific concerns included timeliness of visa processing, consistency in decision-making between overseas posts, training support to overseas posts and support for the pathway from temporary to permanent migration.

2.64 In discussions with the ANAO, the MIA recognised DIMA’s initiatives in improving client service and delivery. The MIA also commented on the difficulties of some posts in processing BSC applications, variations in post BSC processing times; and consistency of documentation requirements between posts and Business Centres.

International comparisons

2.65 Australia competes for business migrants and temporary entrants with other countries. The international competitiveness of Australia’s business entry program potentially influences the achievement of program outcomes through client choice of destination. For example, factors such as civil unrest and visa processing times can influence a prospective applicants’ choice of destination.

²⁸ The Migration Institute of Australia is a professional body representing migration agents.

2.66 The competitiveness of the business entry programs also has broader economic impacts such as international trade competitiveness. For example,

*the business programs affect directly the way businesses manage their human resources and their provision of services to Australian and overseas clients... Important sectors such as professional services, engineering and IT services are becoming increasingly export-oriented and dependent on the business entry programs to assist in the facilitation of transactions.*²⁹

2.67 Structured comparisons and benchmarking with other nations are difficult because of the diversity of business visas offered by the countries and the difficulty of obtaining program performance data from other countries due to lack of recent public reporting or different emphases in program objectives and reporting.

2.68 The ANAO contacted national Audit Offices in other countries as well as accessing a variety of information which is publicly available on the internet and through interviews. The responses from overseas Audit Offices indicated that there has been limited coverage of business visas with reviews largely focusing on immigration issues in general. The information available on international web-sites mainly relates to processes and does not provide any performance data.

2.69 However, of note is that Canada and New Zealand have recently announced changes to their business entry programs that move them from a focus on capital alone to a balanced approach that is more closely aligned with philosophy and practice adopted in Australia.

Client service

2.70 Monitoring client service allows an assessment of the extent to which the needs and expectations of users and stakeholders are being met. Review of client service practices and complaints handling mechanisms provides an additional perspective on the achievement of program outcomes.

Client service practices

2.71 The focus group discussions undertaken during ANAO fieldwork also aimed to identify the needs of clients from DIMA's perspective, assess the extent to which these needs were being met and identify reasons for any gaps.

²⁹ Department of Foreign Affairs and Trade submission to *Business Entry in A Global Economy*, Business Advisory Panel, Commonwealth of Australia, August 1999.

2.72 The most significant client issues identified were frustration with the automated phone system, delays in responding to phone queries and delays in processing visas. The ANAO understands improvements to the automated phone system are in process, while processing efficiency issues are addressed later in this report (Chapter 5).

2.73 There are a number of better practices in client service at posts and Business Centres (see Appendix 4). Business Centres circulate better practices through a Bulletin Board. Overseas posts and Business Centres report monthly to Central Office. However, the ANAO found sharing and adoption of better practices was uneven. A formal and regular method of identifying and sharing better practices will assist their uptake.

Complaints handling

2.74 Each overseas post or DIMA State Office has a designated Complaints Handling Officer, with complaints concerning Business Centres handled by the relevant Complaints Handling Officer in the State Office. Central Office has a Client Service Section that coordinates complaints matters and prepares a Complaints Handling Quarterly Report. This provides a comprehensive discussion of the sources of complaints, types of complaints, discussion of complaints procedures and actions to be taken as a result of the Report.

2.75 However, there were few complaints reported from overseas posts compared to Business Centres, raising the concern that post reporting is not comprehensive. This was also reflected in the recent *Management Review of the Service Charter* undertaken by DIMA Internal Audit, which recommended:

a future review of the offshore complaints handling processes to improve the understanding of the process; and

a future review ... to address the standards and role of Complaints Handling Officers.

3. Quality of Decision-Making

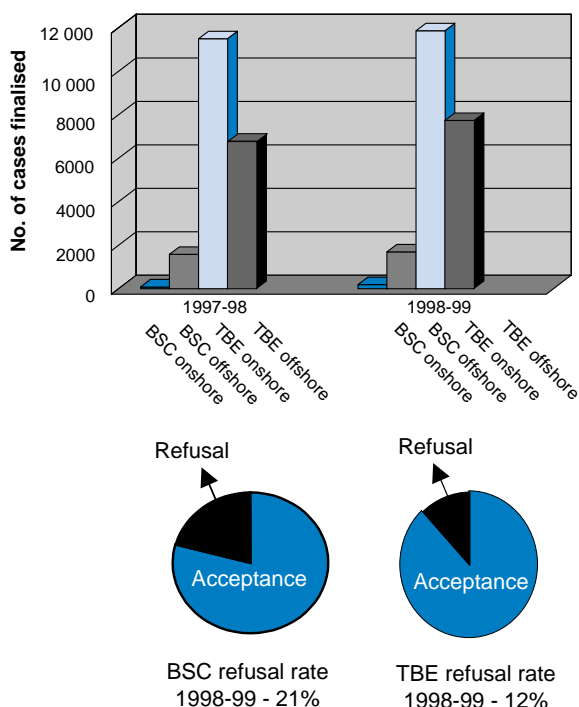
This chapter reviews the quality of decision-making and processing and the existing quality assurance processes to ensure effective processing. The ANAO found that the quality of decision-making for BSC and TBE Sponsorship visas was high but that there was substantial scope for improving the quality of decision-making for TBE Independent Executive visas.

Introduction

3.1 Applications for the BSC and TBE may be lodged either onshore or offshore with the exception of the Independent Executive stream of the TBE, for which the applicant must be offshore at both the time of lodgment and grant. Figure 7 illustrates the breakdown of decisions on principal applicants for the last two years and corresponding refusal rates. Refusal rates vary widely, for example, for some posts the TBE refusal rates are negligible.

Figure 7

BSC and TBE decisions 1997–98 and 1998–99 (principal applicants)³⁰



³⁰ The 1997–98 TBE cases finalised offshore does not include refusals. As well, the 1998–99 TBE cases finalised offshore only includes refusals from 1 November 1998 to 30 June 1999. This information was not available at DIMA Central Office prior to this date.

3.2 The ANAO examined a sample of BSC and TBE case files finalised in 1998–99 to assess whether the quality of decision-making is consistent with program objectives. As mentioned in paragraph 1.11, the offices audited were responsible for processing 68 per cent of the BSC case load and 50 per cent of the TBE case load. Quality assurance processes were also examined.

Quality of decision-making

3.3 DIMA assessors are required to ensure that applicants have met the criteria listed in the Migration Regulations. Decision-makers are guided by DIMA policy guidelines which are available in both hard and electronic copy (Procedures Advice Manual—PAM). Under the relevant provisions of administrative law, the designated decision-maker has the discretion whether or not to undertake specific checks of the information provided or to investigate the bona fides of applicants. Where the criterion to be satisfied is of a broad nature, there can also be an element of subjectivity in deciding whether the criterion has been met.

3.4 The results of the ANAO testing were analysed applying the criteria outlined in Table 5, for each case file sampled:

Table 5
Criteria used for ANAO case analysis of 1998–99 files

The decision ³¹ satisfies DIMA regulations;		
Sufficient evidence on file to support how the decision ³² was made; and,		
Processed in accordance with program objectives. ³³		
	<i>Fast entry</i>	Whether the processing of the visa application was 'timely' in relation to DIMA's Client Service standards: BSC—6 months—1999–2000 service standard ³⁴ ; and TBE—6 weeks—1998–99 service standard.
	<i>Economic benefit</i>	Whether the processing of the visa application provided a potential benefit to the Australian economy.
	<i>Border integrity</i>	Evidence of character checking, where applicable.
	<i>Health</i>	Evidence of full medicals for all BSC applicants and medical checks for TBE visas exceeding 12 months.

³¹ Applies to only grants and refusals. Therefore the percentages have been calculated on the total grants and refusals cases reviewed.

³² Applies to only grants and refusals. Therefore the percentages have been calculated on the total grants and refusals cases reviewed. Against this criterion the ANAO assessed whether the case file held relevant business and personal documents necessary to demonstrate that the applicant met the threshold criteria and, if anomalies were identified, these were appropriately followed up by the assessor.

³³ Applies to all cases finalised which includes grants, refusals and withdrawals.

³⁴ In 1998–99 DIMA did not have client service standards for processing BSC visas offshore. Accordingly, the ANAO applied the 1999–2000 standards to indicate DIMA's preparedness to meet these standards.

3.5 Appendix 5 outlines in detail the methodology employed.

BSC processing

3.6 For BSC entrants, 97 per cent of cases examined were processed in accordance with visa decision-making guidelines, with 100 per cent fulfilling the criteria on-shore and 96 per cent off-shore. The detailed results against each of the criteria assessed are provided at Appendix 6. Appendix 7 gives some of the causes for non-compliance with regulations for the few cases that were not processed in accordance with the BSC decision-making guidelines.

3.7 Notwithstanding the general accuracy of decisions made, the audit also revealed that some files did not have sufficient evidentiary documentation to support how the decision was made, as illustrated in the following Case Study. Ensuring that DIMA case officers understand and adhere to the minimum documentation requirements to support decisions would improve the integrity of decision-making and accountability.

Case Study

The file for a Business Owner visa application largely consisted of the agent's papers without recording how conclusions were reached by the DIMA decision-maker or why. There was no independent DIMA working document on file. The Immigration Records Information System (IRIS)³⁵ case notes indicated that the application met the threshold criteria and therefore should be progressed, but did not indicate how or why the application met the threshold criteria.

3.8 As mentioned in Chapter 2, the ANAO's analysis of BSC cases also highlighted significant processing delays, with 69 per cent of BSC applications processed offshore not finalised within the new timeliness standards even allowing for delays beyond DIMA's control. Further analysis of processing timeframes with a view to identifying opportunities for improvement is discussed in the following chapter on Processing Efficiency.

TBE processing

3.9 The ANAO found that 84 per cent of TBE decisions examined fulfilled the visa decision-making criteria, comprising 87.5 per cent on-shore and 82 per cent off-shore. Within the TBE category there were substantial differences in the results for Independent Executive and Sponsorship categories.

³⁵ This system is used at overseas posts to facilitate the grant of visas to enter Australia.

3.10 For TBE Sponsorship, non-compliance was more in the nature of minor administrative error, which did not affect the quality of decision made. These related to secondary applicants (dependants) incorrectly classified as principal applicants. (While these secondary applicants genuinely have a right of entry, misclassification means that DIMA is overstating the numbers of principal business entrants).

3.11 The ANAO found 34 per cent of TBE Independent Executive examined were not processed in accordance with visa decision-making guidelines. There were two main reasons for this. The first related to failing to address all of the 'benefit to Australia' test. This test specifies that a business activity is of benefit to Australia if the following two criteria are met:

- (a) if the conduct of the activity contributes to any of the following:
 - the creation or maintenance of employment for Australian citizens or permanent residents; or
 - the expansion of Australian trade in goods or services; or
 - the improvement of Australian business links with international markets; or
 - the competitiveness within sectors of the Australian economy; and
- (a) the operation of the business introduces to, or utilises or creates in, Australia new or improved technology or business skills; or the applicant has a satisfactory record of, or a demonstrated commitment towards, training Australian ...residents in the business.

3.12 Part b) of the 'benefit to Australia' test was often not applied.

3.13 The second area where there were weaknesses in adherence to visa decision-making guidelines was where the applicant was in Australia at the time of lodgment and grant. As a consequence of failure to follow decision-making guidelines applicants have been granted visas contrary to conditions outlined in the Migration Regulations.

3.14 Summarised at Appendix 7 are the reasons where the cases reviewed were not considered by ANAO to have fulfilled the decision-making criteria, for each of the TBE Sponsorship and TBE Independent Executive categories.

3.15 The ANAO's file examination also identified that some case files did not have sufficient evidentiary documentation to support how the decision³⁶ was made, as shown in Table 6.

³⁶ For these cases, although the ANAO found insufficient evidence to support the decision, subsequent to discussions with DIMA officers, the ANAO agreed that the decision was in accordance with the guidelines.

Table 6**Gaps in documented evidence for TBE cases examined**

<i>TBE Sponsorship</i>	<i>TBE Independent Executive</i>
<ul style="list-style-type: none"> • No file copies of letters of approval to the visa applicant; • Reasons for waiving health checks not documented (such as where the applicant required a health check due to employment as a chef); • No passport photos of visa applicants on file; and • Insufficient evidence to demonstrate the applicant's skills matched the job requirements. 	<ul style="list-style-type: none"> • Limited evidence of commitment to training Australian citizens; and • Unclear from documents on file how the applicant's net assets were calculated.

3.16 Appendix 8 summarises some of the results of qualitative analysis, identifying both areas of good practice and weaknesses in processing.

Inconsistent processing

3.17 It was evident to the ANAO that work pressures in the various processing environments had led to the development of particular cultures of decision-making in individual posts. While environmental differences will result in some variation in processing practices, there were inconsistencies in processing practices between processing centres, beyond those necessary to cater for the environmental differences. The ANAO considers that these variations have had an impact on quality of decisions. Some of these variations in processing practices are discussed below:

Referrals of TBE sponsorships to DEWRSB

3.18 It is an administrative policy requirement by DIMA that all TBE sponsorship applications³⁷ (Standard Business Sponsor (SBS) and Pre-Qualified Business Sponsor (PQBS)) and their renewals should be referred to DEWRSB for comment regarding the employer's training record or commitment to training. DIMA also occasionally seeks advice from DEWRSB (at DIMA's discretion):

- on the classification of a particular activity as a 'key' or a 'non-key' activity³⁸; and
- where an applicant nominates they are introducing 'new or improved technology'.

³⁷ These are applications by a business to be a qualified sponsor.

³⁸ In processing sponsored TBE applications, a position is classified as either a key or non-key activity. For example, a key business activity can be one which is essential to the overall operation of the organisation. If the activity is classified by DIMA as non-key, evidence of labour market testing may be required to demonstrate there are no Australians available for the position.

3.19 DEWRSB has given an undertaking to turnaround these referrals within the nominated processing times (five working days for PQBS/SBS)³⁹.

3.20 However, the policy of universal referral of sponsorship applications to DEWRSB was not being followed (by Business Centres in 1997–98 and 1998–99) as demonstrated in Figures 8 and 9.⁴⁰

Figure 8
PQBS Rate of Referrals

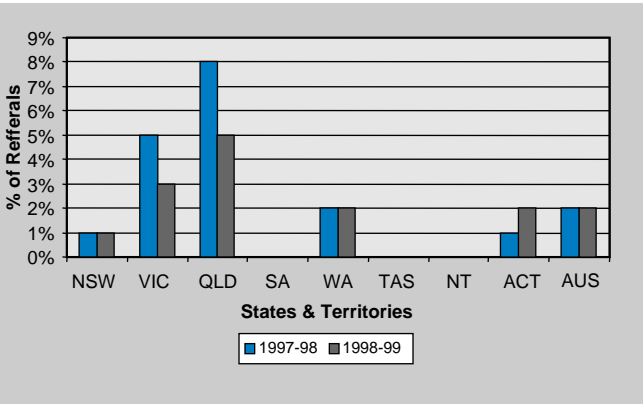
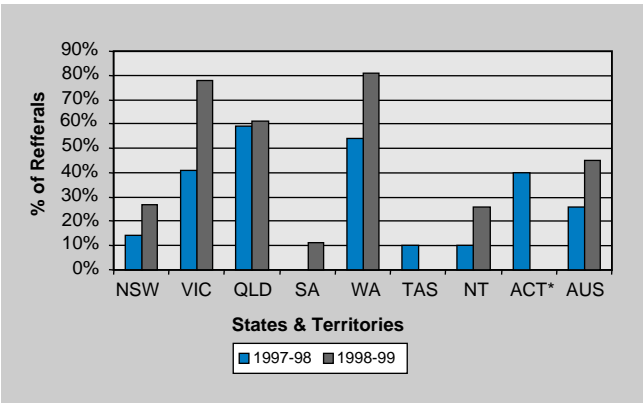


Figure 9
SBS Rate of Referrals



³⁹ DIMA systems have not been recording these turnarounds. DEWRSB National Report on June 1999 Quarter Key Performance Indicators (KPI) shows that this KPI was met during the quarter.

⁴⁰ Referral data provided by DEWRSB as DIMA was not maintaining these statistics for 1997–98 or 1998–99. DEWRSB has been maintaining the data on referrals since 1994–95, and have developed comparatives for 1997–98 and 1998–99 by State. The referral information is compared to the actual number of sponsorship cases processed by DIMA by down loading DIMA's data.

3.21 While the referral rate has gone up in 1998–99 for all States there remains considerable variation. DEWRSB acknowledges that 100 per cent referral may not be practical but considers current rates are both inconsistent and low. The ANAO notes that referral requirements are a means of maintaining compliance with visa conditions; deficiencies in application of the referral policy increases the risk of applications being approved that may not be of economic benefit to Australia. The wide variation between States in this matter also creates a risk of applicants and migration agents lodging applications at Business Centres that have low rates of referrals, thereby increasing chances of approval.

3.22 The ANAO considers that DIMA should develop referral guidelines (in consultation with DEWRSB), which encourage a systematic risk management approach to DEWRSB referrals. The ANAO suggests that the development of referral guidelines could take place within the framework of a business protocol which is being developed with DEWRSB. This protocol seeks to establish a consistent and transparent approach to employer sponsored skilled entry to Australia.

Assessment against TBE Independent Executive criteria

3.23 The broad definitions of regulatory criteria set out in the DIMA Procedures Advice Manual (PAM) creates a challenge for management in achieving consistency in quality of decision-making. For example:

- the regulatory criteria relating to the TBE Independent Executive leaves scope for different interpretations⁴¹ by DIMA assessing officers. The ANAO found there was inconsistency in the application of the training criterion. This criterion states that *‘the applicant should have a satisfactory record, or a demonstrated commitment towards, training Australian residents in business’*. Some posts attempted to assess this criterion at interviews without seeking any evidentiary documentation. Posts that did not hold interviews based assessment on statements in the application. In other cases this criteria was not assessed at all and often the other part of the ‘benefit to Australia’ test (see paragraph 3.11) was also not tested; and
- in assessing whether an applicant has a ‘genuine or a realistic commitment’ the PAM provides six factors that might be taken into

⁴¹ Part (b) of the benefit to Australia test relates to assessing whether the operation of the business introduces to, or utilises or creates in, Australia new or improved technology or business skills; or the applicant has a satisfactory record of, or a demonstrated commitment towards, training Australian ...residents in the business.

account. Assessors are however not limited to these factors⁴². The PAM states that *'officers should use their judgment in deciding which factors apply. If an application is weak against one factor it should be assessed more closely against other factors'*. This broad definition has in practice, led to inconsistent interpretation. Some posts seek compliance with all six factors, that is, a strong business background as well as professional business plans, which outline business intentions in detail. However, other posts do not give significance to aspects such as quality of business plans if the applicant has a strong business background. While the ANAO recognises the merits in adopting a risk management approach, this needs to be applied in a consistent manner both on grounds of equity and effectiveness of decision-making.

3.24 As discussed at paragraph 2.46 there is no monitoring of approved TBE Independent Executive cases and nor is there monitoring of these entrants who subsequently apply for onshore permanent business entry. Quality of guidance to decision makers is therefore DIMA's main control in achieving the desired program outcomes for TBE entrants, and should be adequate to facilitate consistency in interpretation (see also paragraph 5.4 and 5.5). As well, a requirement to adequately document the rationale for decision-making would strengthen the discipline upon decision-makers (see paragraph 3.7). DIMA has subsequently advised that the review of the TBE Independent Executive category will address this issue.

Varying approaches to applications processing

3.25 DIMA does not require that BSC applicants be interviewed. DIMA considers that interviews can be limited to the assessment of English language skills and cases where there are doubts about the authenticity of applicant claims. DIMA has also indicated that the decision whether to interview TBE Independent Executives depends on whether the application lacks essential information.

3.26 However, the ANAO found that some overseas posts interview every BSC and TBE Independent Executive applicant, or at least consider the merits of this option, whereas other posts do not interview applicants. These practices appeared to depend on the past practice at the post and were not consistent with a structured, risk management approach to applicant interviewing.

⁴² These are: background of the applicant; extent of the applicant's research into or knowledge of the Australian business environment; degree of planning undertaken by the applicant for establishing the proposed business (a business plan is not considered to be essential, as long as the application demonstrates the business intentions. Broad details of the proposed activities are considered to be sufficient); the applicant's existing business activities; businesses, investment or other links with Australia; and for the case of joint ventures, evidence of support from the joint venture.

3.27 Also, the ANAO found that quality and reliability of the accountability processes employed varies between posts, with one post having particularly weak processes. Examples include:

- file copies of documents sent to clients not signed in some cases;
- some files not containing records of why and how a decision was reached; and
- varying approaches to authenticity and certification of financial documents submitted. These variations were not driven by a structured approach to risk management.

3.28 As referred to in paragraph 3.7, ensuring DIMA case officers understand the minimum requirements to support decisions would improve the integrity of decision-making and accountability. While environmental differences will result in some variation in processing practices, the variations should be based on a structured, risk management approach to applications processing. For example, the variations and their rationale could be documented in localised operational instructions that complement the core operating instructions (as discussed in paragraph 5.5). Such an approach would provide adequate assurance that front-end processing risks were being managed optimally at each post.

Quality Assurance

3.29 Quality Assurance (QA) provides assurance that appropriate work practices are being followed, as well as information to continuously improve internal processes.

3.30 Central Office on occasion reviews case files processed at various posts. DIMA also refers some visa applications to the BAP Case Advisory Working Party for business-related advice. DIMA has suggested that these steps provide at least in part some informal quality assurance to their decision-making processes. The formal QA processes at onshore and offshore offices are discussed below.

QA process offshore

3.31 Since 1998, DIMA has undertaken an Overseas Audit and Security checklist whereby posts are provided with a random sample of granted cases (for all visa categories) to assess against standard criteria. This process focuses on financial and security controls, with only high-level coverage of decision-making protocols.

3.32 The ANAO considers the strengthening of the process to cover quality of decision-making would increase the assurance that correct decisions are being made and provide an additional opportunity for

continuous improvement in decision-making. The criteria could be based around desired program outcomes and include timeliness, the decision process and the adequacy of the documentation to support the decision.

QA process onshore

3.33 There is no structured centralised QA process for reviewing TBE and BSC decisions onshore. However, developments underway should remedy this situation. DIMA is in the process of introducing a Quality Control Code at all Business Centres in Australia. National QA checklists are currently under development for a wide range of temporary and permanent business visa applications. At the end of each four-month cycle, Business Centre Managers will check a sample of visa grants.

Site visits

3.34 In deciding on a TBE or BSC visa application, DIMA case officers may undertake site visits to establish the bona fides of sponsoring businesses (TBE Sponsorships) and to verify claims of business assets and attributes (BSC applicants). Site visits can also allow an initial assessment to be made of the potential for the success of such companies onshore. These site visits differ from the monitoring site visits referred to in paragraphs 2.13 and 2.14.

3.35 Site visits to establish bonafides of sponsorship businesses for TBE Sponsorships are rarely undertaken. Business Centre and post managers have indicated that this is due to limited time and resources. In August 1999, Brisbane Business Centre commenced trialing arrangements which involve having one person off-line to provide support for cases requiring site visits.

3.36 The approach to site visits for BSC applications varied between processing points visited. The ANAO found that variations were more to do with resourcing and local post practices than driven by a structured risk management approach to site visits which takes account of factors such as risk profile of the applicant, quality of the application and nature of the business skills claimed. Onshore, officers recognised the value of conducting site visits, but expressed some confusion over the extent of their powers in this regard.

3.37 There would be value in DIMA adopting a structured risk management approach to site visits for BSC applicants, to ensure risks are managed optimally. Clarifying staff responsibilities and powers of access would assist this, as would, greater exchange of relevant information between onshore Business Centres and offshore posts.

Conclusion

3.38 Analysis of 1998–99 BSC and TBE case files identified weaknesses in the quality of decision-making, especially for the TBE Independent Executive category, where 34 per cent of the cases examined were not processed in accordance with visa decision-making guidelines. The ANAO understands that the recent review of the business entry program by the Business Advisory Panel has recommended significant changes to Temporary Business Entry (Long Stay) Independent Executive visas which DIMA supports. The findings of this audit should inform any implementation of any new category.

3.39 The limitations in the quality of some decision-making and inconsistent processing practices onshore and offshore signify the need to strengthen the quality of guidance provided to decision makers. There would be benefits for DIMA in reviewing and revising the existing processing guidelines, especially for TBE, to ensure they are consistent with a risk-managed approach to program administration.

3.40 Strengthening quality assurance processes would provide assurance that work practices are being followed and assist DIMA to continuously improve applications processing .

Recommendation No.4

3.41 The ANAO recommends that, for integrity of decision-making to be consistent with desired program outcomes and outputs, DIMA ensure its processing and decision-making practices for Temporary Business Entry (Long Stay) and Business Skills Class visas are supported by guidelines which assist the decision-maker to make informed decisions taking a risk-managed approach.

DIMA response

3.42 Agreed. Improvement of processing and decision-making guidelines will further contribute to consistent program outcomes.

Recommendation No.5

3.43 The ANAO recommends that DIMA implement quality assurance strategies for Temporary Business Entry (Long Stay) and Business Skills Class visas which encourage the maintenance of appropriate standards, and inform and influence continuous improvement of applications processing.

DIMA response

3.44 Agreed. DIMA will continue to look for opportunities for further process improvement.

4. Process Efficiency

This chapter examines the efficiency issues relating to the processing of Business Skills Class and Temporary Business Entry (Long-Stay) applications. The ANAO identified improvement opportunities in application processing, particularly in relation to the enquiries, lodgment and assessment functions, which together absorb half to three quarters of the staffing resources.

Introduction

4.1 The ANAO reviewed TBE and BSC applications processing both onshore and offshore to assess whether business processes facilitate prompt decision-making consistent with program objectives. This analysis was based on techniques employed in business process re-engineering (BPR)⁴³. BPR is a generic term used to describe approaches to generating major improvements in the way an organisation carries out its business.

4.2 The methodology employed is detailed at Appendix 9 and the key features of the process and the resources consumed at each step are discussed below.

Analysis of visa application processes for BSC and TBE

4.3 The decision processes for TBE Sponsorship and BSC visas differ according to whether the application is processed offshore or onshore⁴⁴. The ANAO analysed the processes in the following groupings:

- TBE Sponsorship Onshore, a three stage process involving a sponsor, an applicant and a nominated position (see Appendix 10);
- TBE Sponsorship Offshore;
- TBE Independent Executive Offshore;
- BSC Onshore; and
- BSC Offshore.

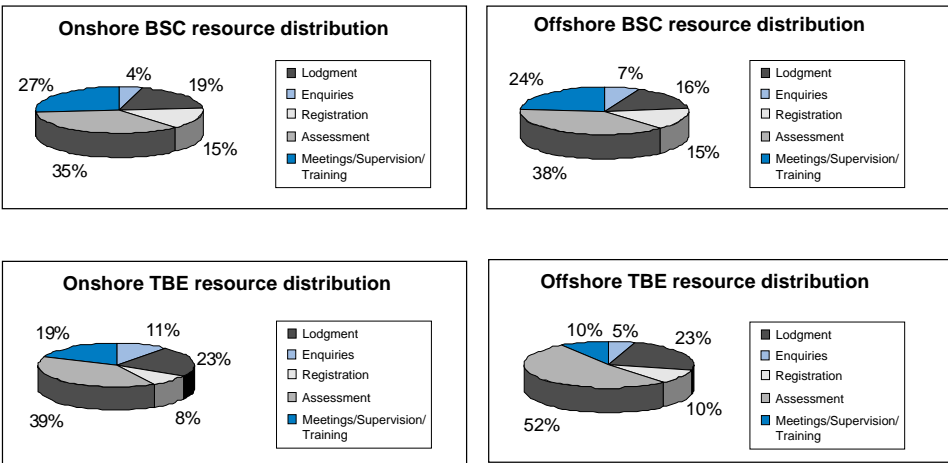
⁴³ It should be noted that the analysis takes the form of a “feasibility study” and does not constitute a full re-engineering exercise.

⁴⁴ Changes to the Migration Regulations in November 1997 required all TBE Independent Executive applications to be lodged and granted offshore. This included applications for extension by those business people who were already in Australia in this category. The ANAO understands that the Independent Executive stream may be separated from the TBE sub class.

4.4 Analysis of these processes revealed that the most resource intensive parts of the process were: enquiries concerning the application by applicants or migration agents; lodgment of the application; registration of the application by DIMA staff; and assessment of the application. These processes absorb between 73 and 91 per cent of the staff resources ⁴⁵, depending on the visa type (see Figure 10).

4.5 Chapter 3 indicated there were some variations in approach to processing some applications in areas such as interviewing. Apart from this, overall process mapping revealed that process steps were broadly comparable across DIMA offices and posts. Appendix 11 provides representation of the main elements of the process.

Figure 10
Use of BSC and TBE resources



Process improvement opportunities

4.6 Analysis of processes suggested that there were opportunities to improve the applications process by reducing processing times. Further efficiencies can be gained by improving the enquiries and lodgment processes as well as the assessing function. These are discussed in turn below.

⁴⁵ Minor activities such as representation at stakeholder meetings have been allocated to key features of the process.

Reducing processing times by eliminating steps

4.7 Comparison of the time spent working on a visa with the elapsed time it takes to complete processing can assist in identifying unnecessary delays or steps in the process that warrant further investigation. The ANAO's analysis of these comparisons is summarised in Table 7.

Table 7

Analysis of processing times

<i>Visa Application</i>	<i>Location</i>	<i>Time spent working on the application</i>	<i>1998–99 Median Processing Time⁴⁶</i>
TBE Independent Executive	Offshore	350 minutes	8 months
	Onshore	Not applicable	Not applicable
BSC	Offshore	2.5 days	13 months
	Onshore	1.5 days	9 months
TBE Sponsorship	Offshore	135 mins	4 weeks
	Onshore	90 mins	4 weeks

4.8 The table indicates that the time spent working on the application represents a small part of the total elapsed time. For the remainder of the time the application is either in a queue waiting for action, awaiting further information from the client or elsewhere, or being handed from one step to the next within DIMA. As discussed at paragraph 2.55, even allowing for external delays, many cases are not processed in a timely manner.

4.9 The challenge for DIMA in meeting its 1999–2000 processing time standards is to address some of the causes for these delays, which lead to processing times exceeding the new client service standards. Appendix 12 demonstrates three case studies, two where better management of internal processes would have enabled timely decision-making and the third is an example where rapid decision-making was demonstrated.

4.10 The ANAO analysed the process for handling TBE and BSC applications to document the number of “hand-offs” (that is, where work is handed from one officer to another in the process). There were only three hand-offs in the offshore and onshore TBE process, but at least 10 hand-offs in the BSC offshore process⁴⁷ where visas are granted, and eight if the visa is refused. Figure 11 summarises the BSC application process, highlighting the potential for some low value-adding steps to

⁴⁶ This is based on ANAO's analysis of 1998–99 BSC and TBE case files.

⁴⁷ The process map at Figure 11 reflects processes at DIMA Jakarta. Processes were similar at the Hong Kong and Pretoria posts visited as part of the ANAO fieldwork. Minor variations to this process are likely to occur in other posts.

be replaced with appropriate technological and system support, generating a more efficient process. The potential opportunities include:

- system support to assess points and threshold criteria, and to undertake assets calculations;
- computer generation of letters and the decision record;
- transfer of applications between Business Centres and posts;
- automatic resubmission of cases;
- electronic lodgment of medical clearances; and
- online supervisory checks.

Enquiries

4.11 Business Centres and posts receive a range of enquiries relating to eligibility for business entry visas, the status of applications being decided and more general enquiries. In some posts enquiries are also generated as a result of processing inadequacies or mistakes made by the assessors. For example, clients may wish to clarify information in DIMA letters that are unclear or they may wish to discuss processing delays.

4.12 Client enquiries consume some 16 to 23 per cent of the TBE and BSC staffing resources at each post. Some posts visited indicated that a high level of enquiries meant it was only possible to assess applications in the second half of the day.

4.13 Currently enquiries are handled locally at each office. This is because the paper file is held there and also because the IT system does not support enquiries being dealt with at central location (s). DIMA has advised that the introduction of ICSE in July 1999 means that onshore case enquiries can be handled in any location in Australia.

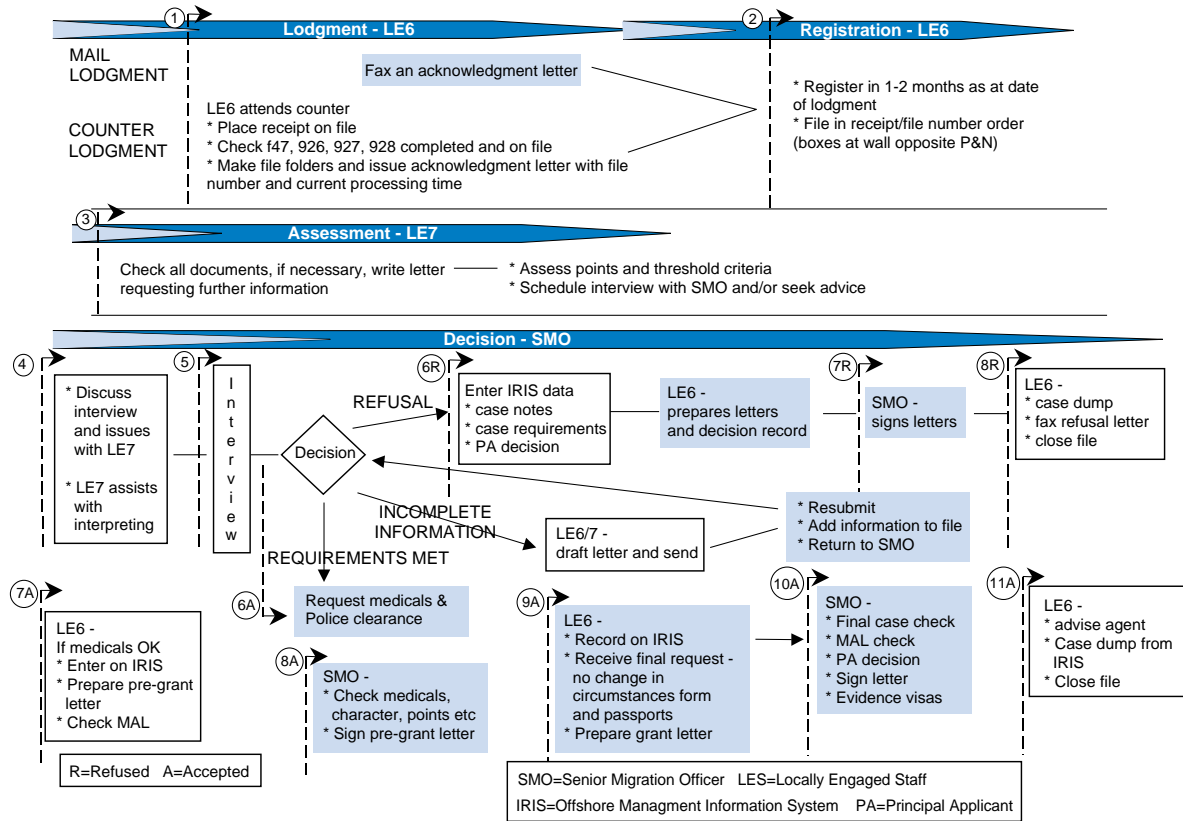
4.14 The ANAO considers that DIMA can pursue a number of options which have the potential to reduce the level of enquiries. These include:

- establishing more websites and improving their comprehensiveness by addressing in detail areas such as the services offered by the post, current waiting times for processing various categories of application, checklists of documents required to be submitted with visa application depending on the visa type;
- clarifying the information requested of clients in correspondence;
- increasing staff awareness of client service and its impact on enquiries; and
- establishing an information medium to advise clients on the current waiting times for processing various categories of applications.

Figure 11

Process map for BSC visas decided offshore⁴⁸

Offshore BSC Proces map



⁴⁸ This process map reflects processes at DIMA Jakarta. Processes are similar at the Hong Kong and Pretoria posts visited as part of the ANAO fieldwork. Minor variations to this process are likely to occur in other posts.

Lodgment

4.15 Self-assessment by applicants prior to lodgment has the potential to reduce the number of unsuccessful applications, as well as increasing the likelihood of applications being lodged with all necessary information and documents, thereby leading to a timely decision. It also enables applicants to be better informed about their potential claim and their ability to meet the visa requirements.

4.16 For example, DIMA Jakarta has developed a comprehensive checklist for BSC applications on its website. Migration agents and individual applicants are expected to ensure that all documents listed on the checklist are presented as a package and signed off prior to their submission. The new BSC Migration booklet, effective from 1 November 1999 also includes a checklist of documents to be provided with the application. The ANAO considers that this should contribute to facilitating a completeness check. Similar initiatives for TBE would also facilitate the lodgment process.

4.17 One of the principles of better practice in process design is to check the quality of applications as close to the time and point of lodgment as possible. The ANAO recognises that where an application is lodged (without the relevant documents attached) with the prescribed fee, the Department is obliged to accept it under the regulatory requirements. DIMA is of the view that the processing fee covers the initial assessment which can only occur after an application is lodged and fee paid. However, an information advisory service at the front-end can result in quality applications being lodged therefore delivering considerable processing efficiencies. For example, DIMA London has a consultant who provides pre-lodgment counselling services to prospective business visa applicants.

Improving the assessing function

4.18 Figure 10 indicates the assessment of applications consumes some 35 to 53 per cent of Business Centre and post resources allocated to TBE and BSC processing. Chapter 3 identified weaknesses in quality of decision-making and paragraphs 4.9 and 4.10 refer to the challenges for DIMA in meeting processing time standards. In that context, the ANAO identified opportunities for improving the efficiency of the assessment process which include:

- developing both generic and local assessment checklists for TBE and BSC applications. DIMA has in fact recently implemented a generic checklist in the new BSC Migration booklet. Encouraging development

of local checklists will take account of localised risk factors and would enhance the effectiveness of this measure. DIMA has yet to develop checklists for TBE applications;

- requesting all necessary external clearances (such as medical, police and character references) simultaneously to avoid delays;
- incorporating measures into the process to reduce errors and rework and minimise the need for checking (for example, by incorporating guided decision-making support in the IT system with sufficient flexibility for local conditions, to eliminate unnecessary information being requested); and
- facilitating client self-assessment to determine applicants likely to be unsuccessful and hence reduce the volume of applications.

4.19 There are also opportunities to significantly enhance system support to assist assessors to deal with the complexity of the process. Examples include:

- user friendly interfaces;
- imaging and work flow technology to reduce the volume of paper;
- improved on-line help and references for decision makers;
- system validation, editing and logic checking of data;
- reduced referrals to the paper file; and
- improved system generated letters/notices.

4.20 The ANAO considers there would also be merit in examining the extent to which assessment rules may be built into DIMA's IT system to support guided decision-making. This could be part of DIMA's future onshore and offshore system development strategy, especially as further functionality is added to ICSE.

Conclusion

4.21 The ANAO has concluded there are a number of process improvement opportunities, which can contribute to reduced processing times. Although it can take a considerable time to process some applications, the time spent working on an application represents a small part of the total elapsed time. Some manual processing steps could be replaced with appropriate technical support. There are also re-engineering opportunities with respect to enquiries, lodgment and assessment processes through increased technology support and by encouraging self-assessment of applications prior to lodgment. These functions together absorb half to three quarters of the staffing resources.

Recommendation No.6

4.22 The ANAO recommends that DIMA examine the cost/benefit of process improvement opportunities for Business Skills Class and Temporary Business Entry (Long Stay) visa applications processing, including reducing or eliminating time spent on activities not adding value and utilising technology support.

DIMA response

4.23 Agreed. DIMA will continue to look for opportunities for further process improvement.

5. Decision-Making Support

This chapter examines administrative guidance, staff training and Information Technology as mechanisms to support visa decision-making. It also examines some of the measures used to enhance coordination of the delivery of staff training.

Introduction

5.1 Effective mechanisms for decision-making support assists accurate and timely visa processing and promote consistency of decision-making between processing centres. For business entry programs the key decision-making support mechanisms are:

- administrative guidance;
- staff training; and
- Information Technology systems.

5.2 These are discussed separately below.

Administrative guidance

5.3 Administrative decision-making is supported by the LEGEND database. LEGEND is an electronic legislative and procedural database, which includes the Migration Act, Migration Regulations, Procedures Advice Manual (PAM) and the Migration Series Instructions. As mentioned in paragraph 3.3, PAM provides interpretations and clarification of the Migration Act and Regulations.

5.4 The ANAO found LEGEND was fully indexed with a good search facility. Processing staff generally found that guidance was less supportive for deciding TBE cases than it was for BSC cases, where staff generally felt it was a useful support tool. Particular limitations identified by staff in TBE area related to:

- establishing an employer's standing or reputation and reviewing of accounts/financial statements, leaving it to an individual's interpretation. Lack of guidance in these areas leads to inconsistency in decision-making. Guidance on the 'benefit to Australia' test such as criterion on commitment to training leaves room for inconsistent interpretation and application;
- the guidance on refusal of cases. Staff found it difficult to differentiate between genuine and less genuine applicants. This point is supported by the ANAO's analysis of applications processing which indicates that refusal cases take almost four times longer to process than grants.

Some Business Centres have developed their own guidance material such as proformas to facilitate this decision-making process; and

- the structure of the PAM. Processing requirements for a particular class of visa are spread across various sections of the PAM making the reference process difficult.

5.5 Staff expressed support for localised operating instructions which could include processing hints and tips unique to their operating environment. For example, specifying the acceptable standard of financial and business documents, circumstance under which interviews and site visits should be considered, and translations of key documents in a non-english speaking country. The ANAO recognises that the merits of developing localised instructions would need to take into account factors such as locally engaged staff turnover, and length of posting of A-based staff. As such, local instructions would need to be complementary, and consistent with, the core operating instructions clearly identifying the local variations that can be allowed for.

Training

5.6 Staff training was assessed to determine if staff were provided with adequate training to process visa applications accurately and to meet current performance standards. High rate of staff turnover at Business Centres and offshore posts makes development and delivery of targeted training imperative. The ANAO focused on training for TBE and BSC processing staff at Business Centres and overseas posts.

5.7 Central Office has a coordinating and oversighting role for training. For example, it has provided training for processing business visa applications at overseas posts. DIMA has also developed a web-site containing offshore and onshore training modules for BSC visas and TBE Independent Executive visas which enables training to be undertaken in-house as required.

5.8 However, the web-site does not yet address TBE Sponsorship visas. Given the limitations on guidance in TBE Sponsorship and in the quality of decision-making there would be merit in making this available on the website at the earliest opportunity.

5.9 Training practices at Australian Business Centres vary from exclusive use of on-the-job training to the assignment of a senior manager to deliver training. Some Business Centres also held formal team meetings to discuss difficult cases. A limited number of visits to other Business Centres had occurred on an ad hoc basis.

5.10 Offshore, five Regional Training Units have been established worldwide, with responsibility for training on all migration matters, including business entry. For example, the Hong Kong post has a Regional Training Manager (RTM) with responsibility for training at 8 posts (Hong Kong; Taiwan; Manila; Seoul; Tokyo; Shanghai; Beijing; and Guangzhou).

5.11 Notwithstanding DIMA's arrangements for training support, the ANAO found that the nature and quality of training support in individual locations varied in quality. We recognise that training arrangements do need to vary to appropriately target local requirements and risks due to differences in operating environment. However:

- some staff felt that training needs were not being adequately addressed at some of the processing centres;
- Central Office was not coordinating the implementation of some strategically important training activities, such as supplementing core training programs with tailored training to suit local conditions;
- the audit identified inconsistent application of assessment criteria in some areas (see paragraphs 3.17 to 3.28) which warrants a targeted approach to training; and
- appropriate practices were not being disseminated widely. That is, better practices adopted by one Business Centre or post has a potential to be applied across-the-board through Central Office coordination.

5.12 The above, suggests that, while Business Centres and posts have the ultimate responsibility for ensuring the adequacy of staff training, enhanced coordination of training activities will improve accountability and integrity of decision-making. Enhanced coordination could address:

- tailoring training support and advice to skill staff in core competencies, once identified, and enabling supplementation for local requirements;
- identifying and encouraging better training practices (such as the use of dedicated training officers and team meetings to discuss and share knowledge on problem cases);
- coordination of familiarisation visits between Business Centres to address identified developmental needs; and
- development and distribution of TBE Sponsorship training modules, as has occurred for the TBE Independent Executive and the BSC visa classes.

Conclusion—training

5.13 Notwithstanding DIMA's arrangements for training support, the ANAO found that the nature and quality of training support in individual locations varied in quality. Enhanced coordination of training activities

by Central Office should improve accountability and integrity of decision-making and encourage the adoption of appropriate training practices by Business Centres and posts. It should also result in achievement and maintenance of core skills by decision-makers for better performance.

Recommendation No.7

5.14 The ANAO recommends that DIMA enhance coordination of training activities in DIMA Business Centres and offshore posts through:

- ensuring training activities are tailored to skill staff in core competencies, once identified, and that they provide for supplementation for local requirements;
- identifying and encouraging appropriate training practices; and
- developing and distributing offshore and onshore training modules for Temporary Business Entry (Long Stay) Sponsorship.

DIMA response

5.15 Agreed. Ongoing training must be a continuing priority and the Department will review its coordination efforts to achieve greater efficiency and effectiveness.

Information Technology (IT) system support for decision-making

5.16 As identified in Chapter 4 (paragraph 4.19 and paragraph 4.20) there are opportunities for significantly enhancing system support in areas such as assessing points and threshold criteria, undertaking assets calculation and supporting guided decision-making. Improved system support in these areas would improve processes and aid decision-making.

5.17 In addition, improved management information would greatly assist management of better outcomes for decision-making. This section assesses DIMA's systems to provide comprehensive and timely management information to assist in the decision-making process.

Offshore

5.18 Offshore, DIMA offices use the Immigration Records Information System (IRIS) to facilitate the grant of visas at 84 overseas posts. This is a stand-alone system in each post, which allows client and decision details to be entered as well as having provision for notes to be entered. Details of visas evidenced on IRIS are transmitted overnight to Australia.

5.19 The ANAO identified a number of deficiencies with the performance information provided by IRIS, including the inability to record:

- referrals to DEWRSB of TBE Sponsorship applications or referrals for police or medical clearances;
- elapsed times for referred applications;
- whether applications have been lodged with all supporting documentation;
- whether applications have been lodged by migration agents; and
- industry classifications for BSC applicants and visa-holders.

5.20 These deficiencies impact the ability of managers at posts to manage local performance, while Central Office monitoring is further affected as the collation of aggregated performance information is a time-consuming process due to each installation being stand-alone.

Onshore

5.21 The Integrated Client Services Environment (ICSE) was implemented within Australia on 5 July 1999. ICSE is a major departmental project to consolidate and streamline a number of onshore computer-based visa processing systems into a generic application processing system that fully integrates client data and application processing, with a single history record for each client. It replaced a number of systems which were not integrated and formed a key part of DIMA's strategy to ensure systems maintained their performance as the date changed to 1 January 2000 (Y2K), given that the systems targeted for replacement by ICSE were not Y2K compliant.

5.22 Performance information was not available from ICSE during the audit fieldwork, implementation and enhancements to ICSE were under way during the audit. The ANAO examined performance information from the systems replaced by ICSE and identified similar deficiencies with the performance information from IRIS listed above. DIMA has indicated that ICSE has been designed to enhance performance information for management purposes and addresses the deficiencies identified above.



Canberra ACT
13 March 2000

P. J. Barrett
Auditor-General

Appendices

Appendix 1

Business Skills & Temporary Business Entry (Long Stay) Visas

Types of Business Skills Class visa subclasses

<i>Visa Sub Class</i>	<i>Description</i>
1. Business Owner (offshore – visa 127 onshore – visa 840)	<ul style="list-style-type: none"> • Has an ownership interest of at least 10 per cent in a business; • Is involved in strategic management of the business; • Has significant net assets in business; and • Intends to engage in business in Australia.
2. Senior Executive (offshore – visa 128 onshore – visa 841)	<ul style="list-style-type: none"> • Is employed in the top three levels of management of a major business; and • Intend to engage in business in Australia.
3. State/Territory Sponsored Business Owner (offshore – visa 129 onshore – visa 842)	<ul style="list-style-type: none"> • Has an ownership interest of at least 10 per cent in a business; • Is involved in strategic management of the business; • Has significant net assets in business; and • Intends to engage in business in Australia.
4. State/Territory Sponsored Senior Executive (offshore – visa 130 onshore – visa 843)	<ul style="list-style-type: none"> • Is employed in the top three levels of management of a major business; and • Intends to engage in business in Australia.
5. Investment Linked (offshore – visa 131 onshore – visa 844)	<ul style="list-style-type: none"> • Has a successful record of business management or investment management; • Has significant personal assets; and • Is willing to make a substantial investment in Australia for three years.
6. Established Business in Australia (onshore only – visa 845)	<ul style="list-style-type: none"> • Has an ownership interest of at least 10 per cent in a business in Australia; • Is involved in strategic management of the business; and • Has significant net assets in business.
7. Regional Established Business in Australia (onshore only – visa 846)	<ul style="list-style-type: none"> • Has an ownership interest of at least 10 per cent in a business in Australia; • Is involved in strategic management of the business; and • Has significant net assets in business.

Types of Temporary Business Entry (Long Stay) visa sub-classes

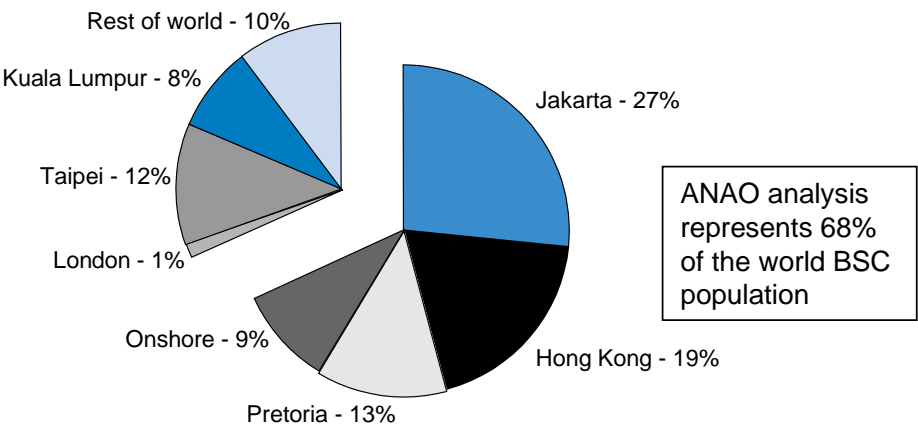
<i>Visa Sub-Class</i>	<i>Description</i>
1 Sponsorship by Australian businesses (PQBS and SBS): key activities (457)	<p>People who:</p> <ul style="list-style-type: none"> propose to be employed in a key activity in Australia; provide evidence that the activity is the subject of an approved business nomination by an employer; provide evidence that the employer is either <ul style="list-style-type: none"> (i) a pre-qualified business sponsor (PQBS) or (ii) a standard business sponsor (SBS); are nominated in relation to the activity by the employer; and where the employer is an SBS and the application is made for a stay of longer than 12 months, satisfy the Minister that they have the skills necessary to perform the activity.
2 Sponsorship by Australian businesses (PQBS and SBS): non-key activities (457)	<p>People who:</p> <ul style="list-style-type: none"> propose to be employed in a non-key activity in Australia; provide evidence that the activity is the subject of an approved business nomination by an employer; provide evidence that the employer is either <ul style="list-style-type: none"> (i) a pre-qualified business sponsor (PQBS) or (ii) a standard business sponsor (SBS); are nominated in relation to the activity by the employer; where the application is made for a stay of longer than 12 months, satisfy the Minister that they have the skills necessary to perform the activity; and where the employer is an SBS, satisfy the Minister that the position to be filled by the applicant has not been created only for the purposes of securing the entry of the applicant to Australia.
3 Sponsorship by overseas business (457)	<p>People who:</p> <ul style="list-style-type: none"> propose to be employed in Australia by an employer who does not operate a business activity in Australia; provide evidence that the activity is the subject of an approved business nomination by the employer; satisfy the Minister that the employer would be likely to be approved as an SBS; where the activity is a key activity, and the application is made for a stay of more than 12 months, satisfy the Minister that they have the skills necessary to perform the activity; where the activity is a non-key activity, and the application is made for a stay of more than 12 months, satisfy the Minister that they have the skills necessary to perform the activity and that the proposed position has not been created solely for the purposes of securing the entry of the applicant to Australia; and

Visa Sub-Class	Description
	<ul style="list-style-type: none"> • satisfy the Minister that they have a genuine and realistic commitment to establishing, on behalf of an employer, a business activity in Australia with overseas connections, or fulfilling the contractual obligations of the employer, that will be of benefit to Australia.
4.Independent Executives (457)	<p>People who:</p> <ul style="list-style-type: none"> • propose to develop a business activity in Australia that will be <ul style="list-style-type: none"> (i) conducted by the applicant as a principal; and (ii) of benefit to Australia; • have a genuine and realistic commitment to: <ul style="list-style-type: none"> (i) maintain or obtain an ownership interest in a business in Australia; and (ii) maintain a direct and continuous involvement in the management of the business; and (iii) make decisions that affect the overall direction and performance of the business from day to day; and • do not have an adverse business background; • have net assets of not less than AUD250,000, or a lesser amount that the Minister considers to be adequate, to conduct or establish the business; • have personal attributes and background that are relevant to, and consistent with, the nature of the proposed business; and • have demonstrated that there is a need to be temporarily resident in Australia to conduct or establish the proposed business.
5. Service sellers (457)	<p>People who:</p> <ul style="list-style-type: none"> • are representatives of a supplier of services who is located outside Australia; • propose to represent the supplier in Australia; • intend to negotiate, or enter into agreements for, the sale of services, but do not intend to actually supply, or directly sell the services; and • satisfy the Minister that the proposal has not been made only for the purposes of securing the entry of the applicant to Australia.
6. Persons accorded certain privileges and immunities	<p>People who:</p> <ul style="list-style-type: none"> • are people to whom privileges and immunities will be accorded under the <i>International Organizations (Privileges and Immunities) Act 1963</i> or the <i>Overseas Missions (Privileges and Immunities) Act 1995</i>, • have been recommended in writing to the Minister by the Foreign Minister.

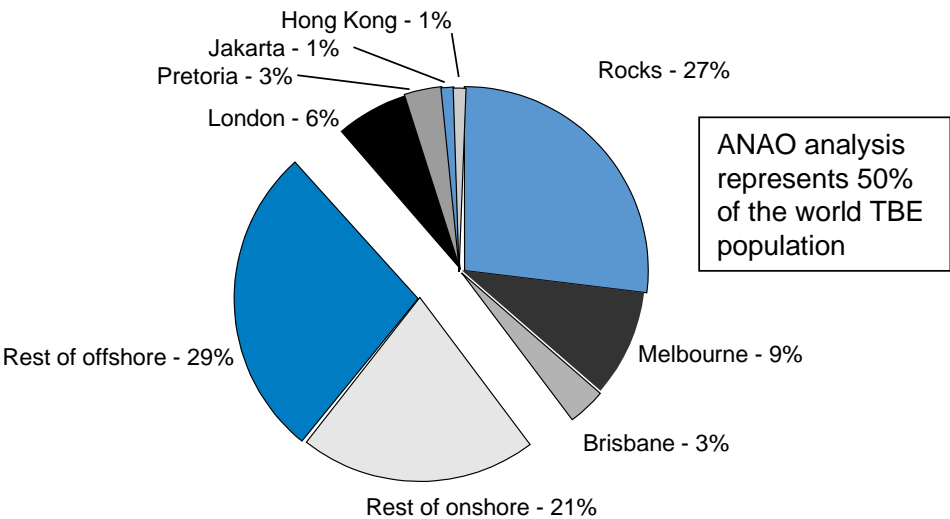
Appendix 2

Details of visa processing onshore and offshore

Business Skills Class

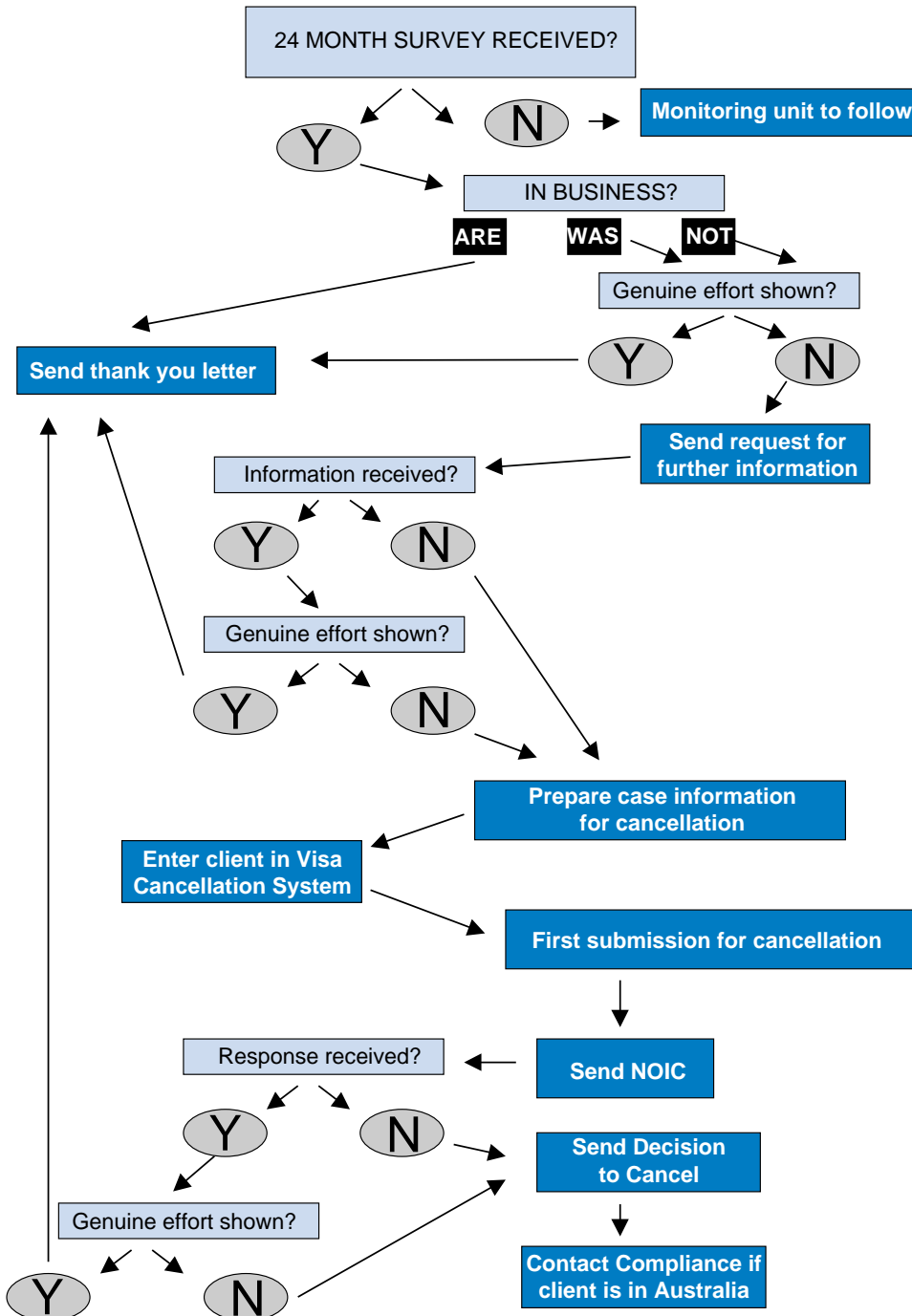


Temporary Business Entry (Long Stay)



Appendix 3

Business Skills Class monitoring process⁴⁹



⁴⁹ Source: DIMA

Appendix 4

Better client service practices identified in DIMA Offices during the audit

Establishment of the Business Centres, with relocation of Business Centre activity into one physical area and specific Business Centre client service counters

Newsletters targeted at business audiences

Preparation of information sheets for clients

Briefings and seminars for migration agents and business clients on topical issues

Priority-processing arrangements

A register of electronic mail addresses for all relevant migration agents

Devolution of BSC caseload to Brisbane and Melbourne from 1 July 1999

Fortnightly meetings of case officers and the Business Centre or post Manager to discuss unusual or problematic cases and highlight trends

Use of web-sites to promote Business Centre and post activities and staff

Use of a consultant to provide general advice to business visa applicants.

Appendix 5

ANAO methodology for examining Business Skills Class and Temporary Business Entry (Long Stay) case files finalised in 1998–99

The ANAO's analysis of case files was based on a research methodology designed to enable statistically valid extrapolations of findings from the sample of decisions audited to all decisions undertaken in the processing centres during the period covered by the audit. Such extrapolations have an associated statistical level of accuracy and in this report, this precision level is presented after each extrapolation as a percentage range (at the 90 per cent level of statistical confidence).

The ANAO selected the visa processing centres to be audited and supplied ORIMA with relevant data on visa decision-making at these centres:

- Brisbane (TBE only);
- Melbourne (TBE only);
- The Rocks;
- Hong Kong;
- Jakarta;
- London (TBE only); and
- Pretoria.

These fieldwork sites were selected with regard to:

- advice from DIMA;
- risk assessments and analysis of push factors and caseload characteristics at a range of processing points;
- balancing high and low risk posts with variant processing volumes; and
- logistical and budgetary parameters.

ORIMA recommended that a stratified random sample design be used to enable statistically valid extrapolations of compliance audit results from the audited sample to all Business Skills Class and Temporary Business Entry (Long Stay) visa cases finalised in these processing centres. The sample size was selected in consultation with the ANAO and involved balancing increases in statistical accuracy from a larger sample size against additional audit costs.

At each visa processing centre 30 visa cases finalised were selected for compliance testing from each of the Business Skills Class and the

Temporary Business Entry (Long Stay) visa class⁵⁰. The cases for testing were randomly selected from the sample frame of all decisions undertaken at each centre during the period covered by the audit. In all a sample of 330 files were requested for review: 120 BSC files and 210 TBE files finalised (includes grants, rejections and withdrawals) during the 1998/99 program year. The Business Centres and posts provided 311 of the 330 files requested. The remainder either could not be located (13), (4) had been sent to the Migration Review Tribunal for review, or (2) had been requested under FoI. Table 1 summarises the break-up of cases files assessed by Business Centres and posts.

Details of Decisions Audited by the ANAO

<i>Temporary Business Entry (Long Stay)</i>				<i>Business Skills Class</i>	
<i>Centre</i>	<i>Number of Decisions Audited</i>			<i>Centre</i>	<i>Number of Decisions Audited</i>
	<i>Independent Executive</i>	<i>Sponsorship</i>	<i>Total</i>		
Brisbane	1 ⁵¹	26	27	Sydney (The Rocks)	28
Melbourne	Nil	27	27	Hong Kong	28
Sydney (The Rocks)	Nil	29	29	Jakarta	26
Hong Kong	21	9	30	Pretoria	29
Jakarta	12	16	28		
London	4	26	30		
Pretoria	10	19	29		
TOTAL	48	152	200		111

The ANAO developed proformas to assess the accuracy and quality of applications processing. These proformas allowed the audit team to comment on the validity of decisions and to identify potential processing improvements. The proformas were based on the relevant regulations and copies were provided to DIMA for comment prior to the commencement of fieldwork. The ANAO undertook a pilot test of its compliance testing methodology at The Rocks Business Centre.

ORIMA collated and processed the completed audit questionnaires. Data entry quality control measures were employed, including full validation of all questionnaires.

⁵⁰ The sample selection of TBE case files finalised offshore was from the date range 1 November 1998 to 30 June 1999. Prior to this date applications processed offshore were listed by grants and refusals, rather than by cases finalised which includes withdrawals.

⁵¹ This was a dependant's case file which came up in the Brisbane TBE sample.

The ANAO also conducted some limited fieldwork at the Australian High Commission at New Delhi. Fieldwork at New Delhi was conducted because:

- it has a rapidly growing TBE caseload, with the post processing the fifth largest number of TBE visas for 1998–99;
- it is a high risk post with a high incidence of document fraud; and
- the ANAO was keen to assess DIMA's risk management strategy in the context of this complex operating environment.

The ANAO adopted a case study approach at the New Delhi office which involved observations, interviews and discussions with relevant staff and a review of a small number of finalised case files.

Appendix 6

ANAO analysis of 1998–99 Business Skills Class and Temporary Business Entry (Long Stay) visa decisions⁵²

<i>Business Skills Class (BSC)</i>			<i>Temporary Business Entry (Long Stay)(TBE)</i>		
Decision satisfies DIMA regulations Onshore: 100% Offshore: 95%			Decision satisfies DIMA regulations Independent Executive Offshore: 66% Sponsorship: Onshore: 88% Offshore: 93%		
Sufficient evidence to support the decision Onshore: 100% Offshore: 91%			Sufficient evidence to support the decision Independent Executive Offshore: 55% Sponsorship: Onshore: 64% Offshore: 90%		
Processed in accordance with program objectives Onshore: 79% Offshore: 35%			Processed in accordance with program objectives Independent Executive Offshore: 13% Sponsorship: Onshore: 43% Offshore: 87%		
BSC	Onshore	Offshore	TBE	Onshore	Offshore
Timeliness Economic benefit ⁵³ Integrity Health	75% 100% 100% 100%	31% 99% 92% 97%	Independent Executive		
			Timeliness	n/a	15%
			Economic Benefit	n/a	87%
			Integrity	n/a	84%
			Health	n/a	97%
			Sponsorship		
			Timeliness	55%	71%
			Economic Benefit	100%	100%
			Integrity	100%	100%
			Health	73%	98%

⁵² Refer to Appendix 5 which details the size of the population.

⁵³ Whether the processing of the visa application provided a potential benefit to the Australian economy.

Appendix 7

Examples where cases reviewed were not considered by ANAO to have fulfilled the decision-making criteria

<i>Business Skills Class</i>	<i>Temporary Business Entry (Long Stay)</i>
<p>For Established Business Owner applications:</p> <ul style="list-style-type: none"> • no evidence of business history; • no statement of intention submitted with the application to demonstrate business plans for Australia; and • no evidence on file to demonstrate whether the applicant has met the threshold criteria, that is, satisfied the public interest criteria test (local police clearance). <p>For Senior Executive application:</p> <ul style="list-style-type: none"> • no evidence to demonstrate that the applicant had a realistic commitment to maintain substantial business interest in Australia; • no letter from the applicant's employer confirming that he/she has been employed in the highest 3 levels of management; and • medicals and police clearances not on file. 	<p>For Independent Executives:</p> <ul style="list-style-type: none"> • insufficient evidence to demonstrate that the 'benefit to Australia' test had been satisfied, such as introducing new skills in Australia or a satisfactory record or a demonstrated commitment towards training Australian citizens or permanent residents in Australia; and • non-compliance with the Regulation relating to TBE Independent Executive applicants being offshore at time of lodgment and grant. <p>For Sponsorships:</p> <ul style="list-style-type: none"> • where a secondary applicant/ dependant has been processed as a principal applicant; and • Form 1066 processed without a copy of the nomination approval instrument on file.

Appendix 8

Better processing practices and areas for improvement

Processing effectiveness—Business Skills Class (BSC)

<i>Onshore</i>	<i>Offshore</i>
<p>Processing practices contributing to better decision-making</p> <ul style="list-style-type: none"> • checklists and proformas for assessment; • advice to agents regarding standard of documentation required; • newsletters; • analytical approach to interviews; • level of service provided to unrepresented applicants—commitment to facilitating these clients; • professional counter service provided to business applicants; and, • ‘account manager’ approach to business customers ensures consistency. 	<p>Processing practices contributing to better decision-making</p> <ul style="list-style-type: none"> • newsletters for agents / applicants; • well targeted interviews at both Hong Kong and Jakarta; • requirement that agents sign off on completeness of application prior to lodgment at one post; • ‘no change of circumstances’ form in use in Jakarta; • well organised files in Jakarta—two part structure: 1) personal documents; 2) business documents. Documents checked and ordered by agent prior to lodgment; • checklists in use at Jakarta; and • an A-based officer does all the processing up to the health stage subsequent to which the case is finalised in terms of health, police clearance and visa issue (Pretoria).
<p>Weaknesses hampering effective processing</p> <ul style="list-style-type: none"> • lack of local operational instructions / guidelines [as agents can access PAM, this would also give local decision-makers increased confidence in exercising their delegations]; • no ready reckoner facility to replace manual processing; and, • inadequate interaction with other Business Centres / posts [particularly re history of applicants moving from TBE Independent Executive to the BSC Established Business In Australia visa]. 	<p>Weaknesses hampering effective processing</p> <ul style="list-style-type: none"> • lack of local operational instructions / guidelines; • lack of local language skills for A-based officers in some posts; • processing delays, including the poor timing of health checks; • poor communication with client including contradictory letters; • insufficient analysis during processing and too much paper on file; • inflexible approach; • manual nature of assessments—including calculations; • inconsistency of assessment approach at processing points, for example: <ul style="list-style-type: none"> - focus on applicant’s business history rather than on plans for business in Australia—visas granted even if business plans are noted on file as ‘vague and generalised’; - quality of accounts/financial statements accepted; and - absence of interviews at one post;

Onshore	Offshore
	<ul style="list-style-type: none"> • re-submission of cases not evident at some posts; • verification of points calculated by agents not apparent at one particular processing point; and, • no evidence of risk management approach at all the overseas fieldwork sites visited.

Processing effectiveness—Temporary Business Entry (Long Stay) (TBE)

Onshore	Offshore
<p>Processing practices contributing to better decision-making</p> <ul style="list-style-type: none"> • regular team meetings to discuss difficult cases; • dedicated training officers; • ‘account manager’ approach to handling applications; • development of in-house checklists; • priority processing trials; • preparation of information sheets for clients; • increased attention to site visits in some centres; and, • ASIC checks to verify company details. 	<p>Processing practices contributing to better decision-making</p> <ul style="list-style-type: none"> • checklists for Independent Executives in Jakarta; • informative websites; • interview proformas in Jakarta; • evidence of well-targeted interviews in Jakarta; • medicals undertaken subsequent to interviews in Jakarta allowing client more time to prepare for the move, as well as maintaining the validity; • straightforward cases submitted with all documentation processed across the counter (London); • pre-application counselling occurred at only one post for the TBE Independent Executive category. Given it is regarded as feeder group into the BSC category there would be value in an applicant being advised on the eligibility requirements for the onshore BSC category (established Business Owners); • use of a business consultant at the London post to provide advice to prospective business applicants; and • detailed processing notes maintained on IRIS at posts such as London and New Delhi. <p><i>continued next page</i></p>

Processing effectiveness—Temporary Business Entry (Long Stay) (TBE)

<i>Onshore</i>	<i>Offshore</i>
<p>Weaknesses hampering effective processing</p> <ul style="list-style-type: none"> • unavailability of local operational instructions / guidelines; • poor quality of communication with clients at front end (applicant/agent checklists would help); • inconsistency of approach between various processing points eg some require medicals for all visa extensions, some do not; and some refer all non-key activities to DEWRSB, some do not; • no data-matching with ATO to streamline assessment; and, • poor format of standard letters from onshore Business Centres—especially in relation to sponsorship and nomination approvals. 	<p>Weaknesses hampering effective processing</p> <ul style="list-style-type: none"> • lack of development of local operational instructions / guidelines; • no local language ability of A-based staff; • poor quality of communication with clients at front end (applicant/agent checklists would help); • inconsistency of approach between various processing points (not influenced by any risk analysis), for example: <ul style="list-style-type: none"> - medical requirements; - background checks; - audited financial statements; and, - interviews with Principal Applicants; and • lack of staff training and regular reinforcement of better processing practices.

Appendix 9

Methodology employed in analysing Business Processes

The ANAO visited three Business Centres onshore and four posts offshore to gain a comprehensive understanding of the existing TBE and BSC processes by:

- documenting each major step in the process at each office visited (DIMA had undertaken a process mapping exercise as part of the ICSE implementation project. However, the process maps related to the system processes);
- producing process maps which set these steps out in diagrammatic form;
- confirming the process maps with Business Centre/post management;
- documenting with relevant staff the elapsed time attributable to each major step in the process;
- documenting with management the actual time spent working on an application at each major step in the process; and
- attributing the staffing resources for TBE and BSC to each major step in the process based on an analysis of activity with Business Centre/post management.

Review and analysis of the potential for process improvement was informed by this understanding. The ANAO also undertook focus group discussions with DIMA staff at the offices visited to identify:

- identify process challenges—an assessment of the current process against the process design best practice framework described below under the heading “Key Criteria” (the framework was provided in advance to the focus group participants to enable considered responses); and
- analyse customer needs and gaps—where the focus groups identified customer needs, the extent to which the needs were being met and reasons for any performance shortfalls.

The focus groups were constituted to ensure that the full range of staff levels and functions were represented and their discussions were facilitated by the ANAO to ensure that the views of all participants could be equally expressed. The results of all focus group discussions were consolidated for the purpose of the audit and the common themes are reflected throughout these discussion papers.

Key Criteria

The framework for process design best practice provided a series of questions to challenge the existing process and identify areas where efficiency and/or effectiveness could be improved as follows:

Process Inputs and Outputs

- Could input quality be improved?
 - applicant/migration agent completed data
 - data entry
- Can clients find their way into the system easily. Do they know who they are supposed to contact?
- Is there a more efficient way of answering and dealing with client enquires?
- Are processes being followed that are unnecessary or outdated?
- Do staffing arrangements, including employment conditions and times and requirements for effective teamwork at the local level, suit client requirements?
- Are staff training strategies in place and working?

Task Efficiency

- Are there too many steps in the process where work is handed from one person to another for further action?
- Is there duplication that could be eliminated?
- What causes the need for rework? How can the need for rework be eliminated?
- Is there too much paper in the process? How can it be eliminated?
- Is data being captured more than once, for example could we rely on data in other organisations' databases?
- Is there a more effective method for capturing the client data?

Cycle Times

- Where are the delays in the process? What are the main causes and how can they be avoided?
- Can activity be compressed or the sequence of activities changed to streamline the time taken to process applications?

Adding Value

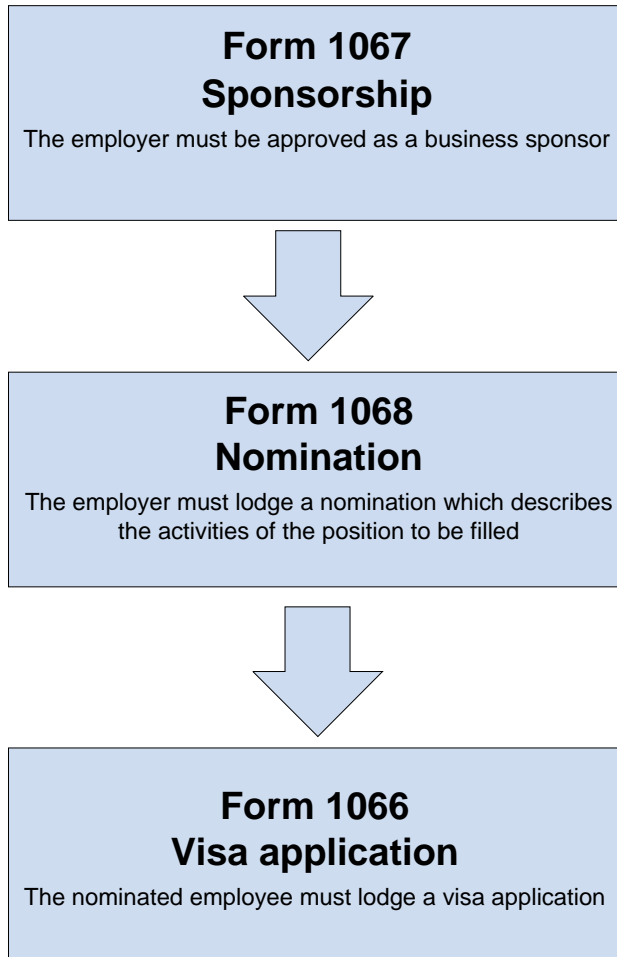
- Could the IT system do manual tasks?
- Could the IT system do checking that people currently carry out?
- Are there non-value work tasks—such as checking and control—that could be eliminated?
- Could the IT system be used to assist decision-making?
- Are things being sent unnecessarily through management “filters”?
- Are decision points close to where the work is being performed?

Effective Structures

- Are there unnecessary reporting lines/decision points?

Appendix 10

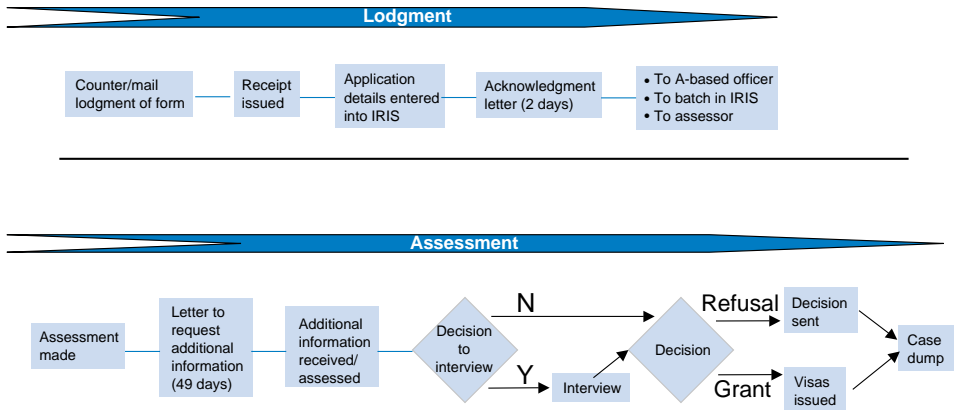
Visa Processing Steps: Temporary Business Entry (Long Stay) Sponsorship



Appendix 11

Representation of BSC applications process offshore and onshore

Offshore BSC Process map



Onshore BSC Process map

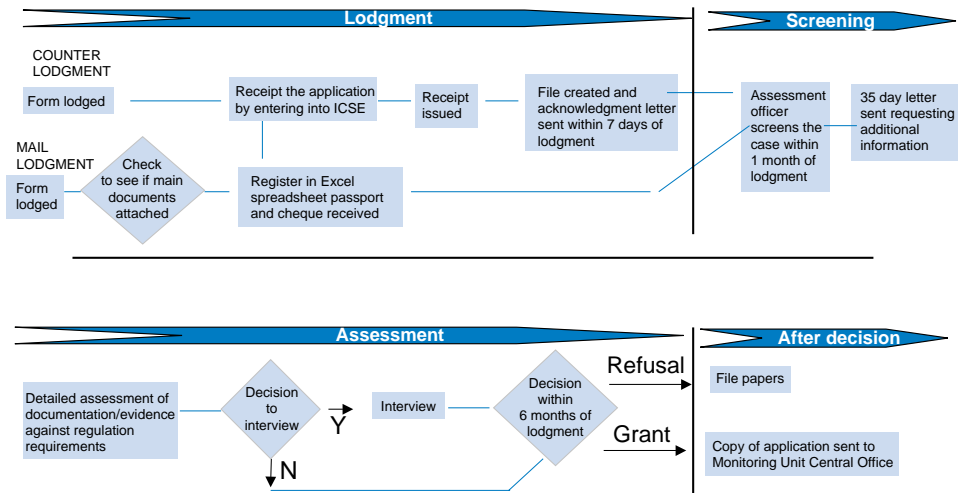


Figure 1. TBE Sponsorship Process map - 1067 & 1068 - onshore

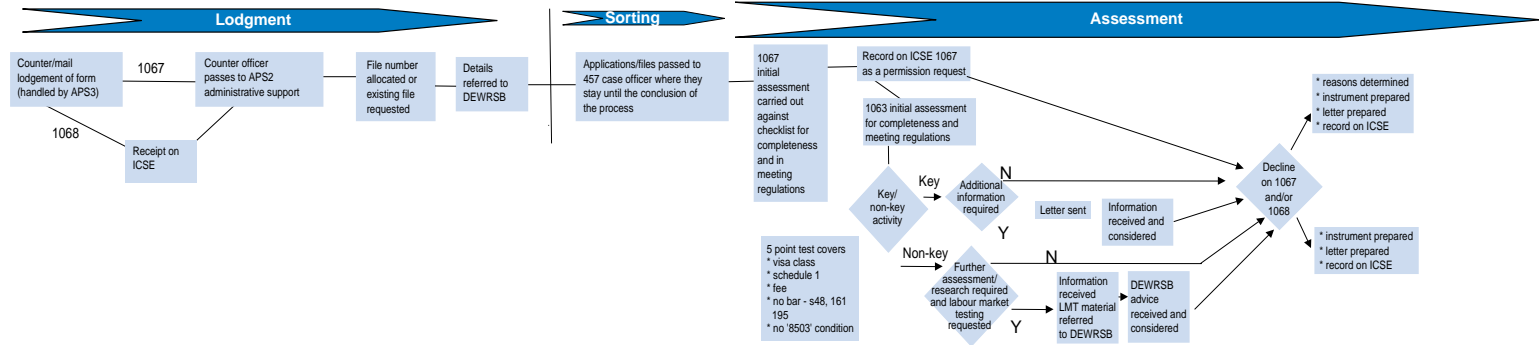


Figure 2. TBE Sponsorship Process map - 1066 onshore

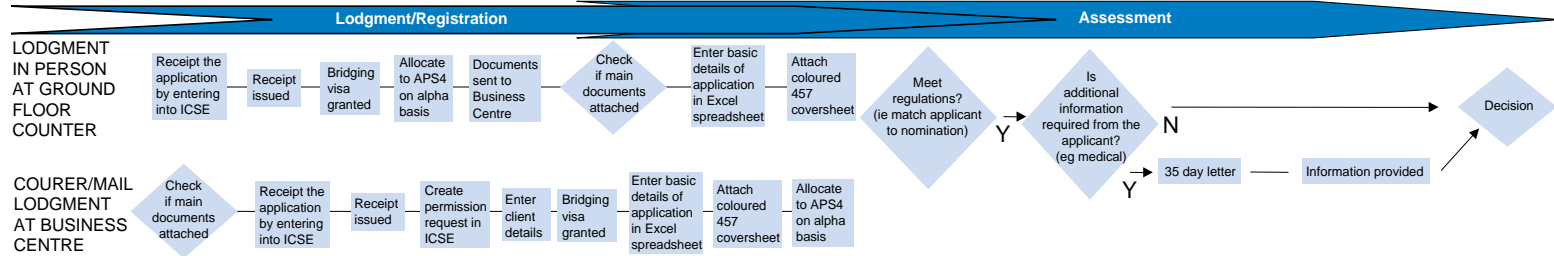


Figure 3. TBE Sponsorship Process map - 1066 offshore

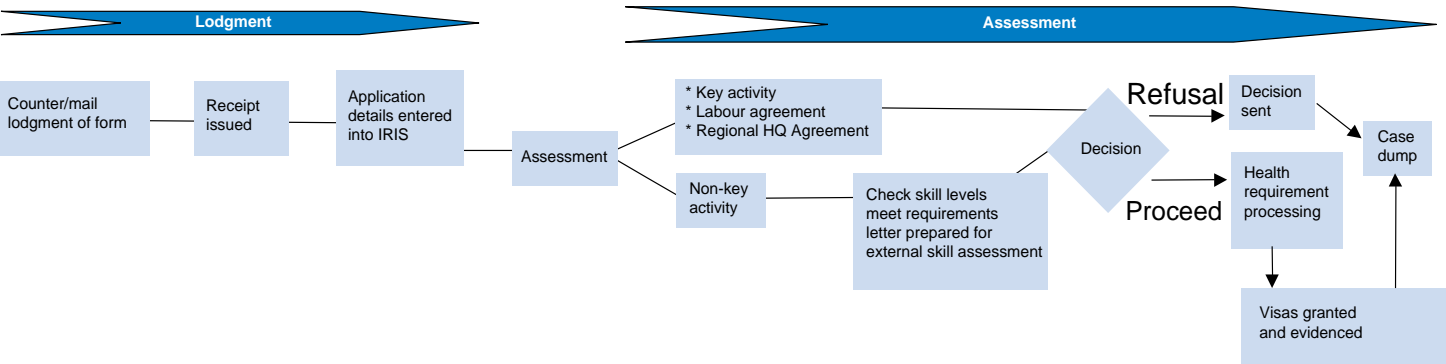
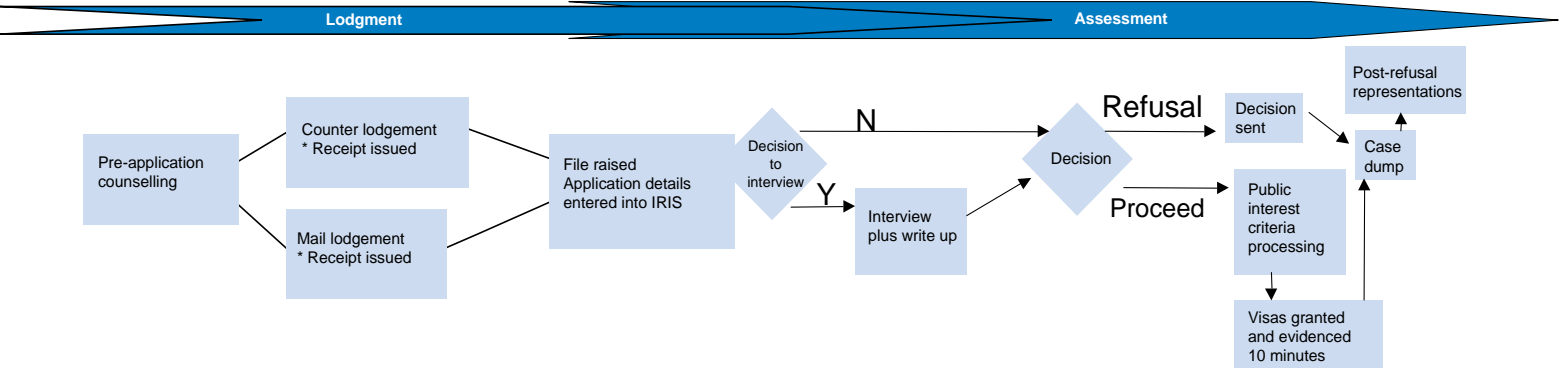


Figure 4. TBE Independent Executive Process map - offshore



Appendix 12

Processing Times—Case studies

The first two case studies illustrate that better management of internal processes would have enabled timely decision-making. The third case study is an example where rapid decision-making was demonstrated.

Case study 1

Outlined below is a chronology of events, which highlight the processing delays that occurred. Better management of the application and assessment process would have ensured timely decision-making.

17/02/95—submission from agent accompanies BSC application to postA

09/05/95—agent submits further information

28/08/95—application acknowledged by post A

02/11/95—audited accounts submitted by agent

04/01/96—health checks completed

11/01/96—letter to client indicating that processing is almost finalised

30/01/96—updated character checks requested by post A

19/08/96—letter from post B indicates assessment has begun

28/12/96—audited accounts re-submitted by agent

16/12/97—post B advises no action will be taken pending decision from Canberra

06/08/98—post B decides to refuse

19/08/98—refusal letter sent to client

The ANAO noted there was a six month gap between initial lodgment and acknowledgment of the application. At the beginning of 1996, the client was given to understand that the application would be successful and was asked to nominate preferred date of departure for Australia. However, the client received conflicting advice seven months later. The client received a letter from a different post and was advised that processing had just commenced. Twelve months after the agent had provided the additional documentation requested, the client was advised that no further action would be taken on the case pending a ruling from DIMA Central Office. Eight months later, the case was refused.

Case study 2 illustrates the nature of processing delays despite the application being substantially front-end loaded, that is, submitted with all the relevant information and documents.

Case study 2

A BSC Investment-Linked application was lodged in June 1997 at Post I. The agent had prepared a good application setting out clearly the applicant's claims. The first action on file occurred in October 1997, when a DIMA assessor requested additional documentation. (Some of the information requested seemed to be unnecessary). All requested documents were supplied, and medicals completed, by January 1998.

In February 1998, a DIMA officer noted on file that the application had been positively assessed and that the applicant could proceed to visa grant stage. In March 1998, DIMA wrote to the applicant requesting evidence of investment lodged in New South Wales (NSW). Based on the file correspondence it appeared that the applicant had signed the relevant form (1031), although no copy appeared on Post I's file. It was unclear whether the form was signed and sent directly to NSW, or whether the signed form was lost at the relevant post.

In September 1998, DIMA contacted the applicant to again request evidence of investment. In October 1998, NSW contacted Post I as they had not yet received Form 1031 from DIMA. The same month, the applicant's agent contacted Post I claiming that the investment in NSW had been confirmed with the relevant office. The agent included proof of investment in NSW.

The applicant's visa was finally granted by Post I in November 1998.

Case study 3 demonstrates that if the application and assessment process is managed efficiently, an application lodged with all relevant information can be processed in a timely manner.

Case study 3

This was a BSC application lodged with all relevant documentation up-front and was processed in 3 months. There was evidence of very good pre-lodgment advice from BSC processing officer as applicant was unrepresented. The applicant had come to Australia on a TBE visa and established a successful mechanic business, providing employment and training for Australian citizens. The application was lodged complete, and the DIMA assessor extended a high level of client service.

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