Looking to the Future of the Department of Immigration and Border Protection (DIBP)

Assessment of the Consolidation of the Australian Customs and Border Protection Service (ACBPS) and the DIBP (2016–2017)

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Preface

On 7 May 2014, the government announced the integration of the Australian Customs and Border Protection Service (ACBPS) and the Department of Immigration and Border Protection (DIBP) into a single government department, including the formation of the Australian Border Force (ABF), to be accomplished by 1 July 2015.[1]

A year after the integration began, DIBP leadership sought an independent analysis of the effectiveness and efficiency of the integrated department. In fulfilment of this requirement, RAND Australia conducted an evaluation of the newly integrated DIBP, which was completed in 2016. The DIBP has requested a second evaluation of the DIBP, considering the changes that have occurred since the publication of the previous study.

This follow-on effort has two primary thrusts. The first is to update the previous analysis from 2016 with the data and experiences gained in 2016–2017. The second is to identify lessons learned that could be useful in continuing the reform of the DIBP that continues today and to inform the upcoming transition to an Australian Department of Home Affairs (HA).

By necessity, this study builds on the previous findings and, therefore, uses the first study[2] as the foundation for the analysis. As such, it does not endeavour to replicate the previous effort, but rather commences from that starting point.

Relevant documents and interviews with senior leaders from across the department, including the ABF, were undertaken. While documents dating back to 2005 provided the foundation for many judgments and findings in this report, RAND concentrated on

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[1] The Department of Immigration and Border Protection (DIBP) has undergone a number of name changes since 2001. From 2001–2006, it was called the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA). From 2006–2007, it was the Department of Immigration and Multicultural Affairs (DIMA). From 2007–2013, it was called the Department of Immigration and Citizenship (DIAC). It became the DIBP in 2013, and in July 2015 the ACBPS was integrated into the single department called the DIBP. For the purpose of this report, "Immigration" will be used to refer to the pre-integration DIBP and its antecedents, while "Customs" will refer to the ACBPS. For the post-integration period (that is, after July 2015), the organisation will be referred to as the DIBP.

[2] Daniel M. Gerstein, Karen Edwards, Dulani Woods, Julie Newell, Jennifer D. P. Moroney, *Assessment of the Consolidation of the Australian Customs and Border Protection Service (ACBPS) with the Department of Immigration and Border Protection (DIBP),* Santa Monica, Calif.: RAND Corporation, RR-1713-AUS, 2016. As of December 22, 2017: https://www.rand.org/pubs/research_reports/RR1713.html

changes that have occurred during the period 2016–2017 and those efforts that are ongoing or planned as part of future DIBP reform efforts.

The case for reform had been recognised in the earliest documents from 2005. Some changes had been implemented in a piecemeal fashion over the period from 2005 to 2015. However, these earlier efforts largely were designed to address specific shortfalls, not necessarily to build capacity and professionalise the organisations. Therefore, despite long and proud histories, neither organisation had developed the capabilities or professionalisation in the workforce expected of a modern border management organisation.

In looking at the reform, the analysis concentrated on five areas, which had been specified by the DIBP leadership for additional scrutiny during the first study: (1) intelligence, (2) investigations, (3) detention, (4) integrity and corruption, and (5) learning and development (L&D).

DIBP's progress toward completing the integration and reform has continued, although it has been uneven across the department. For example, in areas of policy, operations, and intelligence (POI), important progress has been made toward the goals of integration and subsequent reform. However, in the enterprise, corporate, and management areas (ECM), RAND identified shortfalls. In summary, many of the goals of integration and reform remain a work in progress. In these ECM areas, it will require continued progress and leadership attention to meet the goals set out in the original integration directives.

Looking to the future, DIBP reform must continue to realise the full transformation of Customs and Immigration toward the twenty-first-century border management institutions envisioned in the integration mandate. Many lessons have been learned over the past two years and these insights could be invaluable as the DIBP forms the core of HA.

Furthermore, other organisational transformations undertaken by similar organisations provide important insights into potential priorities for the establishment of HA and identification of potential pitfalls. In this analysis, six—five international and one Australian—examples are examined.

The overarching conclusion of the report is that important progress has been made in building a modern border management capability for Australia. More work remains, but progress has been clear and unequivocal. The foundations of the DIBP are solid and will serve as a basis for the establishment of HA.

The study sponsor was the DIBP, led by Secretary Michael Pezzullo, and acting Australian Border Force Commissioner Michael Outram. The Office of the First Assistant Secretary, Enterprise Strategy, Reform, and Performance Division within the DIBP served as the primary interlocutors with the RAND study team and provided outstanding support to the study effort. Finally, the report reflects a combined effort within RAND by RAND Australia, RAND Justice, Infrastructure, and Environment, and RAND National Security Research Division.

Questions and comments about this report should be sent to the project leader, Daniel M. Gerstein (Gerstein@rand.org).

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Executive Summary

Background

On 7 May 2014, the government announced the integration of the Australian Customs and Border Protection Service (ACBPS) and the Department of Immigration and Border Protection (DIBP) into a single government department, including the formation of the Australian Border Force (ABF) by 1 July 2015.[1]

The 2013 Commission of Audit recommended the merger of Customs and Immigration into a single organisation. Previously, in a December 2008 National Security Statement, then Prime Minister Kevin Rudd announced that the Australian government would be augmenting, re-tasking, and renaming the Australian Customs Service to create the new ACBPS. The primary goal was to gain operational effectiveness in customs and immigration while better coordinating overall national security arrangements.

A year after the integration began, DIBP leadership sought an independent analysis of the effectiveness and efficiency of the integrated department. In fulfilment of this requirement, RAND Australia conducted an evaluation of the newly integrated DIBP, which was completed in 2016. The DIBP has requested a second evaluation of the DIBP considering the changes that have occurred since the publication of the previous study.

This initial analysis required RAND to take a deeper and longer view of the two organisations as they existed, understand how the combined organisation could incorporate into a single entity, and assess the degree to which the new organisation could mitigate weaknesses and reinforce strengths.

This follow-on effort has two primary thrusts. The first is to update the previous analysis from 2016 with the data and experiences gained in 2016–2017. The second is

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to identify lessons learned that could be useful in continuing the reform of the DIBP and to inform the upcoming transition to an Australian Department of Home Affairs (HA).

Overall Findings

Important progress has been made over the past two years in building a modern border management capability for Australia. More work remains, but progress has been clear and unequivocal. The foundations of the DIBP, including the ABF, are solid and will serve as a core of the HA.

However, DIBP progress toward achieving the goals of integration has been uneven across the department. In areas of policy, operations, and intelligence (POI), important progress has been made in reaching the goals of integration and subsequent reform. In contrast, in the enterprise, corporate, and management areas (ECM), RAND identified continued shortfalls and early efforts to reform these areas. Continued emphasis and leadership attention will be required to fully meet the goals set out in the original integration directives.

Analysis suggests key findings in three areas: (1) follow-on analysis of key operational metrics, (2) specific areas of analysis, and (3) lessons learned from other integration efforts and looking toward the future.

Follow-On Analysis of Key Operational Metrics

The operational tempo continues to increase, threats continue to evolve and grow, and planned reductions in resources have been taken, implying greater operational effectiveness and efficiency. However, resource reductions in some areas have hindered development that could have assisted in developing lasting institutions and building the foundations for the twenty-first-century border management capacity envisioned in the integration plan. Examples are in areas such as resources for internal capability growth through research and development and staff development, along with management functions to support the transformation, and forthcoming creation of the Australian Department of HA.

Specific Areas of Analysis

Improvements have been seen in each of the five areas (that is, intelligence, investigations, detention, integrity and corruption, and learning and development). However, the progress toward integration and reform has been uneven across the five areas. Intelligence has made the greatest progress in its transformation. Continued improvements will need to be made to further mature this mission area. Investigations, detention, and integrity and corruption continue to progress, having built some lasting institutions; however, shortfalls in foundational work must be addressed as the DIBP continues to

build the capacities and workforce expected of a twenty-first-century border management capability. The final area, learning and development (L&D), can best be described as not living up to expectations. Some progress has been made with the development of mandatory corporate leadership and Australian Public Service (APS) core skills training materials through the DIBP Learning and Development Branch—including by partnering with other law enforcement agencies such as the Australian Federal Police (AFP) to deliver training, but the ABF College largely remains a disappointment to senior leaders across the department. Detailed specific findings will be provided in the next section of this executive summary.

Lessons Learned and Looking Toward the Future

DIBP senior officials were extremely positive about the likely establishment of HA, saying that DIBP integration and reform had demonstrated that benefits could be accrued through transformation. However, there has been some caution expressed as the integration and reform continues in the DIBP, even after two years. Senior officials appeared to be less concerned about operational (POI) than enterprise (ECM) issues. This concern emanates from experiences in the enterprise areas where transformation has been slow and uneven, and remains a work in progress. One other major concern expressed by senior officials has to do with aggressive timelines and organisational capacity to deliver such a considerable reform agenda. The DIBP integration had foundations going back to 2013 with the legislative mandate, planning in 2014, with integration on 1 July 2015; in contrast, the formation of the Department of HA was announced in August 2017 and officially established in December 2017, and little information on the organisations and structure is widely available to date.

Specific Findings

Follow-On Analysis of Key Operational Metrics

The integrated DIBP has improved the effectiveness and efficiency of its support for the government of Australia in the customs, immigration, and border protection mission area during the period of 2014–2017. This has been accomplished while undergoing a significant integration and reform effort coupled with a decrease in top line funding. This assessment considered both quantitative and qualitative factors, such as the minister's dashboards and interviews conducted with senior DIBP officials and stakeholders.[2]

A total of 168 operational program performance measures were provided; however, either no data or insufficient data was available for 90 of them. Therefore 78 metrics were used in conducting the analysis. Of these 78 metrics, 44 (56.4 per cent) met

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[2] Judgments made throughout the report are based on data provided by the DIBP, independent research that RAND conducted, and the interviews of senior DIBP officials. The interviews were conducted as non-attribution.

targets or were improving, 29 (37.2 per cent) remained constant, and five (6.4 per cent) "did not meet target or were declining." A total of 73 of the metrics, almost 94 per cent, either "met targets or were improving" or "remained constant."

Specific Areas of Analysis

Five areas were directed by DIBP to be the focus of the analysis: (1) intelligence, (2) investigations, (3) detention, (4) integrity and corruption, and (5) learning and development. An assessment of the progress and noted shortfalls follows.

The steady progress in several of these five areas during the 2016–2017 period is clear and unequivocal. The data and interviews indicate this progress, but also highlight that it is uneven across the areas.

Intelligence stands out as having made the most progress toward achieving the goals of integration and reform. Numerous reviews and recommendations provided an important foundation for building an intelligence framework for the department. Some shortfalls have been noted in technical areas, such as developing the workforce; incorporation of technology; and use of intelligence to develop enforcement priorities. Overall, intelligence products have been reported as valuable, and good progress has been observed.

Detention has also come a long way given the difficult starting point that was a significant driver for change leading to the formation of the integrated DIBP. Important progress has been made in key policies and in efforts toward closure of facilities. Recent miscues with two citizens indicate the importance of continued vigilance in this area. In these two cases, two men had their visas cancelled under section 501 of the Migration Act and were subsequently detained, after which it was established they held dual citizenship and were subsequently released. On a positive note, the better use of intelligence was important to rapidly resolving these cases. However, the changing demographics of the detention population and officer training deficiencies in areas such as use of force and policing powers and authorities will need to be addressed.[3]

Investigations are an improving area from both the perspective of internal (workforce) and external (customs and immigration) investigations. However, both are underfunded, which hinders the timeliness of investigations and resolution of cases. Regarding internal investigations, greater visibility of outcomes for the workforce could serve as an important deterrent. Regarding external investigations, greater use of intelligence has been a necessary and important component.

While progress has been made in integrity and anti-corruption, this area requires continued emphasis. Acceptance of workforce drug and alcohol testing indicates progress. Operation Arête—the DIBP's own integrity assurance measure that emphasises

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[3] The two individuals who were detained have not been publicly identified. Additional information about the cases can be found at: www.theguardian.com/australia-news/2017/jul/05/border-force-illegally-sent-two-australian -citizens-to-christmas-island

doing the right thing—seems to be gaining acceptance. This program has been instituted across the DIBP and has received important leadership support as a means to professionalise the department's workforce. DIBP has also undertaken a review of compliance with administrative obligations and prioritised actions according to risk. Despite these positives, there is recognition that DIBP personnel are a vulnerable population due to the nature of their work. Thus vigilance and continuous reinforcement is essential.

L&D has made the least progress of the five areas and is largely recognised as not living up to expectations. L&D in the department is delivered by two distinct organisational units, the ABF College within the Border Force Capability Division and the Learning and Development Branch within the People Division. More progress has been made in the Learning and Development Branch, but shortfalls were identified here as well. During the interviews, many expressed confusion about the delineation of responsibilities between the two parts of L&D.

Several specific issues were cited regarding learning and development. Curriculum was cited as not adequate for the training the DIBP requires. Teaching methods and the limited use of technology also received significant criticism. Resourcing was identified as an overarching problem. Providing officials time to attend courses is problematic due to operational tempo. Funding for attendance at schools is an issue, as regional elements were required to fund attendance. Those officials characterised as non-ABF and part of the existing workforce reportedly are disenfranchised by the perceived lack of opportunity.

Specific Findings: Lessons Learned and Looking Toward the Future

An institutional predisposition toward POI versus ECM reform enabled the DIBP to continue to improve in key operational metrics and development of these mission areas at the expense of the business side of running the DIBP. Thus, transformation in ECM functions lags significantly behind. In fact, RAND estimates ECM functions are approximately a year behind POI functions in the reform process. This will be particularly important going into the establishment of HA, where DIBP, as the largest entity by a considerable order of magnitude, would likely serve as the receiving organisation for the new department.

Planning processes and metrics for transformational activities must be in place and utilised at all phases of integration and reform. Responsible mission area managers with the appropriate authorities, experience, and leadership skills must be placed in charge of reform initiatives. For example, in the DIBP intelligence mission area, a mission manager oversaw the analysis of reviews, audits, and recommendations, and the development of the institution. The result was a coherent mission area with essential capacity to support the department and operational elements.

The pace of change has been and continues to be a source of concern for senior leaders across the department. While universally agreeing that DIBP integration and reform have been important for building twenty-first-century border management for

Australia, organisation and staff ability to keep up has been strained. Many of the key skill sets required for the change that was envisioned do not exist to a sufficient degree among enough staff across the department, thus limiting the ability to move the DIBP forward. Furthermore, integration and reform timelines have not been realistic and in many cases resulted in overpromising and underdelivering.

Staff engagement continues to be a source of friction. The staff desire greater interaction with senior department officials. This interaction provides a way to gain information about the direction of the department and reform, provide input on implementation, directly hear from staff to gain a greater sense of appreciation, and, in some cases, vent to the senior leaders about issues the workforce sees as important.

Conclusions

The integration of the former Customs and Immigration areas into the DIBP provides an important inflection point in the history of customs, immigration, and border management activities within the government of Australia and a potentially important milestone in the development of a national domestic security capability.

Progress across the department has been laudable in some areas and lacking in others. Continued efforts to mature and, in some cases, build the organisation must continue. While the POI areas have seen important growth, the ECM sides of DIBP have not seen the same outcomes. Issues such as resourcing, lack of capability in some key areas, and limited leadership focus on these functions have contributed to these outcomes.

Through the DIBP integration and reform, important lessons have been learned that will be beneficial to continued growth of individual elements of the DIBP, especially with a view to the establishment of the new Department of HA. In looking toward the establishment of the new department, the experiences of others who have undertaken such complex transformations provide interesting insights.

Acknowledgements

Introduction

Study Objectives and Tasks

The Department of Immigration and Border Protection (DIBP) requested evidence-based, objective research and analytic support to conduct a follow-up evaluation of the continued progress of integration since RAND Australia analysis was published on 16 September 2016, along with a forward-looking view of how the integrated DIBP is positioned to meet future challenges.

In the first phase of this effort, RAND, in coordination with DIBP, developed an evaluation plan detailing the program of work for evaluating the integration and reform during the 2014–2017 period and possible future direction for concentration DIBP efforts.

The second phase entailed a follow-up to the original RAND study. Specifically, the follow-up effort built on the first study, which examined performance during the period 14 May 2014 to 14 May 2016 across 130 measures and took deep dives into five specific areas of interest identified by the DIBP. For this new study, three years of data were evaluated, including one year of pre- and two years of post-integration data, including the 2016–2017 reform period.

RAND utilised the same format and counting rules as the first study to ensure consistency across the evaluations. In updating the analysis from the previous report, the operational effectiveness assessment criteria from the 2016 U.S. Government Accountability Office (GAO) report and the RAND analysis methodology were reapplied.[1] In the initial effort, the five areas (intelligence, investigations, detention, integrity and corruption, and learning and development) were examined to build the case for change for the DIBP. These same five areas were considered to assess how well the goals of the integration and subsequent reform have been achieved.

The third phase of the study looked at future directions for the DIBP, identifying areas where continued integration and reform would be beneficial. Lessons learned to date were identified, and examinations of other large, complex transformation efforts

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[1] A description of the framework is included in Important Progress Made, but More Work Remains to Strengthen Management Functions. GAO-17-409T. 16 February 2017. At: http://www.gao.gov/products/GAO-17-409T

were considered. The goal was to identify opportunities and best practices that could be beneficial for the establishment of the new Department of Home Affairs (HA).

Methodology

The study team conducted the analysis using a combination of research techniques. The study team: (1) developed an evaluation plan; (2) collected and analysed data concerning the integration and reform; (3) conducted an organisational analysis; (4) examined other transformations of large, complex organisations to gain the benefit of the lessons learned; and (5) drafted a final report. Throughout the study, RAND was well supported by representatives of the DIBP.

Relevant documents provided by DIBP were analysed using qualitative and quantitative techniques. The data included operational and resource information that is collected and briefed to senior DIBP leadership on a periodic basis. For example, data from documents such as the senior leader dashboards were compared during the period of 2014 to 2017 to determine trends and assess performance. Annex C provides a subset of the quantitative analysis RAND employed using this data.

Other documents were examined that provided qualitative inputs from which determinations could be made about the state of working toward the goals and objectives of integration and reform. As an example, the DIBP Corporate Plan 2016–2017 provided a basis for understanding the department's broader outcomes, goals, and objectives.

RAND conducted interviews to augment and assist in interpreting the data from the documents. Senior leaders from within DIBP and Australian Border Force (ABF), at headquarters and in regional locations, were interviewed. The inclusion of DIBP and ABF regional leaders was an important addition that provided the RAND team with a broader perspective on integration and reform progress. The list of interviewees and the interview protocol are provided in Annex A and Annex B, respectively.[2]

Throughout, the 2016 RAND report served as an important foundation for this 2017 study. No attempt to revaluate the pre-2014 data, either qualitatively or quantitatively, was undertaken.

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[2] Judgments made throughout the report were based on the data provided by the DIBP, independent research that RAND conducted, and the interviews with senior DIBP officials. The interviews were conducted as non-attribution. References were employed to provide examples for the reader. Therefore, in the body of the paper, when an interview is referenced, the organisation, date, location, and a unique identifier are provided. Only RAND knows the identity of the individual. For example, in the reference "Interview with senior DIBP official on August 22, 2017, in Belconnen, Australian Capital Territory (16)," the number 16 is the unique identifier. While the general format for referencing the interviews for individuals is described in the previous sentence, the report also highlights where multiple interviews expressed similar sentiments. In such cases, a lead-in phrase such as "several interviewees agreed" was used.

As in the 2016 study, a modified framework developed jointly between DIBP and RAND based on a U.S. GAO framework used to examine efforts of the U.S. Department of Homeland Security's integration of management functions was employed in conducting the analysis. Modifications were designed to be more operationally focused while still allowing assessment of management functions integrated within the DIBP. The specific areas RAND assessed using the GAO framework were: (1) operational effectiveness and efficiency, (2) culture and personnel, (3) capability, (4) action plan, and (5) monitoring progress.

The RAND team also examined five areas in both studies that were requested by DIBP to be analysed: (1) intelligence, (2) investigations, (3) detention, (4) integrity and corruption, and (5) learning and development (L&D).

In conducting the analysis, the GAO framework was used to examine the progress of integration and reform, while the analysis of the five areas provided an end-to-end systems analysis. They rely on the same data but are assessing two different issues.

The RAND team's assessment was designed to examine how the integrated organisation has been performing in the areas of operational effectiveness and efficiency, building capabilities, and cultural and workforce issues.

In looking to the establishment of HA, the RAND team provided an historical perspective regarding change in large, complex organisations. The analysis looks at historical examples and draws on insights and lessons identified from other large organisational adaptations. The intent was to present an overview of the change that occurred and focus on how these insights and lessons could be beneficial in shaping HA establishment.

Study Caveats

The timing of the RAND assessment—two years after the integration was officially initiated—means that full annual data for 2017 was not available. Additionally, the data largely came from prepared reports in different formats and with different time horizons and embedded assumptions. Thus, the RAND team made a variety of assumptions during the analysis to allow for longitudinal comparisons to be made.

Follow-On Operational Assessment: Metrics and Overall Integration Progress

Introduction

This chapter examines the DIBP operational performance and efficiency metrics based on data provided by the DIBP sponsor. It includes the information on performance that is collected and delivered to the senior DIBP leadership on a regular basis as well as strategic documents describing goals and resourcing. The chapter also evaluates the progress made toward integration and the subsequent reform effort that is ongoing.

Data considered was based on three years of metrics. Findings and recommendations were based on interpretations of the metrics and the interviews conducted during both studies (that is, for the 2016 RAND report and this most recent study). For examining the integration and reform progress, the GAO framework was utilised.[1]

Between the first RAND report and this report, the analytical methods were held constant, to the extent the data would allow, between the two studies to ensure consistency in comparisons.

Overall Findings

The integrated DIBP has improved the effectiveness and efficiency of its support of the government of Australia in the customs, immigration, and border protection mission area during the period of 2014–2017. This has been accomplished while undergoing a significant integration and reform effort coupled with a decrease in top-line funding. This assessment considered both quantitative and qualitative factors, such as the senior

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[1]   As applied to the DIBP evaluation, the GAO framework has five components. Operational effectiveness and efficiency relates to support for the customs, immigration, and border mission (that is, operational tempo). Culture and personnel looks at transformation indicators of the effects on culture of DIBP and personnel programs. Capability examines whether programs and processes designed to build organisational capacity have been developed. Action plan for reorganisation looks at the planning done before, during, and after integration. Monitoring of progress examines whether the necessary capabilities for monitoring the transformation have been developed and are being utilised.

leader dashboards and interviews conducted with senior DIBP officials and stakeholders (see Table 2.1).

Overall, Australia has experienced significant increases in border-related activities. For example, in monthly personnel arrivals and departures during the period of 2014–2017, the totals have gone from approximately 1.2 million to 1.5 million per month, a 20 per cent increase. This translates to transactions (that is, additional work to be performed in support of arrivals and departures). Regarding imports, the value during this three-year period, from 2014 to 2017, has increased from approximately AUS $20 billion to AUS $22 billion per month, a 10 per cent increase.

Despite the ongoing integration (and subsequent reform) and operational pace, the department has been undergoing a significant reduction in funding. The DIBP budget is decreasing from 2015 to 2021. The largest decrease is from 2016–2017 to 2017–2018. The consistent reductions reflect the inclusion of efficiency measures resulting from the reorganisation.

The data also indicates that planned reductions in the 2016–2017 budget were not fully achieved. Originally, the DIBP had planned for an AUS $248 million reduction from 2015–2016 to 2016–2017. The actual reduction was approximately AUS $90 million. This still demonstrates an increase in effectiveness and efficiency, as the workload increased over this period and overall expenditures decreased.

Furthermore, the 2016–2017 expenditures call into question whether the DIBP can achieve the 2017–2018 estimated budget of AUS $4,467 million, which would be a 15 per cent reduction. The ramp would have amounted to only a 10 per cent reduction had the original 2016–2017 goal been achieved.

Overall conclusions of the analysis based on the U.S. GAO framework are provided in Table 2.1.

In the earlier study, a loss of momentum immediately after integration began was noted. An integration plan and metrics to track the progress were not in place. This shortfall was observed by the DIBP and resulted in the formation of the Strategic Reform Group under the direction of the deputy secretary, which stood in contrast to the predecessor organisation that was aligned under the first assistant secretary. This realignment was encouraging as it was likely to improve leadership visibility for reorganisation efforts. However, reform efforts are now back under a first assistant secretary and efforts have once again slowed, particularly in ECM areas where progress has lagged. With the establishment of HA, deputy secretary leadership has again been established through the creation of the Home Affairs Implementation Taskforce, but the organisation needs to ensure that senior oversight of HA implementation carries forward past the initial stand-up period.

Table 2.1
Operational Effectiveness Assessment

Category	Description	Assessment

Operational Effectiveness and Efficiency	Support for the customs, immigration, and border mission (that is, operational tempo)	• No loss in effectiveness across operational missions was observed.
		• Increases in immigration, trade, and travel were observed during the period.
		• The increased operational tempo (measured through workload increases) has been accomplished despite reductions in top line budget.
		  ○ Almost 94 per cent of the operational metrics show improvement or have remained constant during the 2014–2017 period.
		  ○ Planned budget reductions in 2016–2017 were not fully achieved, but still represented a reduction as compared to previous years.

Culture and Personnel	Indicators of the effects on culture of DIBP and personnel programs	• Efforts toward building a unified professional culture and addressing personnel issues continued; of note, this contrasts with the earlier stated goal of developing a single DIBP culture.
		• L&D, particularly in relation to programs delivered by the ABF College, has been an area that overpromised and underdelivered to the detriment of the workforce and the morale.
		  ○ There is uneven progress between the ABF College and the Learning and Development Branch within the People Division in delivering L&D to the workforce.
		  ○ Some confusion was noted regarding the delineation of L&D responsibilities for the ABF College and the People Division.
		• New programs, such as the recently established Operation Arête, also are designed to reinforce standards and professionalise the workforce.
		• Difficulties in establishing a combined enterprise agreement for the integrated organisation has resulted in protected industrial action and now arbitration.

Capability	Programs and processes designed to build organisational capacity	• Building capacity across the DIBP has been uneven.
		  ○ In areas of POI, important progress has been made in reaching the goals of the integration and subsequent reform.
		  ○ In contrast, in ECM areas, RAND identified continued shortfalls and early efforts to reform these areas.
		• In five key areas DIBP requested for examination, progress has been uneven.
		  ○ Intelligence: reform goals largely met
		  ○ Detention, Investigations, and Integrity and Corruption: important progress toward integration and reform goals
		  ○ L&D: limited improvements with more attention required

Table 2.1—Continued

Category	Description	Assessment
Action Plan for Integration and Reform	Examination of the reorganisation planning for pre- and post-execution	• A strong pre-integration plan was developed, but shortfalls were noted in the post-reorganisation period (that is, it did not contain adequate metrics). • Planning has improved across some areas, such as intelligence, but in others less progress has been made (for example, in the ECM functions).
Monitoring Progress	Capabilities for monitoring the progress of integration and reform	• Shortfalls noted in the monitoring of the reorganisation and reform (for example, leadership visibility of execution progress, inadequate metrics to track progress [both at the strategic and operational levels], desire for greater communication with workforce) still persist. • Recent progress is noted on development of metrics for assessing the status of key outcomes.

Specific Findings

Utilising the modified framework employed by the GAO to examine the U.S. Department of Homeland Security's (DHS), specific findings in each of the five areas were developed. The elements of the framework have been divided into two categories: those directly related to organisational effectiveness and efficiency and those related to the implementation of the integration.[2]

In examining the operational elements (operational effectiveness and efficiency, culture and personnel, and capability), operational effectiveness and efficiency has clearly taken priority during integration and reform. This coupled with what the DIBP calls the "jaws of death," which describes an increased workload and declining resources, has left the other two operational elements with limited resources for pursuing reform initiatives.

Operational Elements

Operational Effectiveness and Efficiency

Progress has been made toward increasing overall effectiveness and efficiency within the customs, immigration, and border patrol mission space. The combination of Customs and Immigration is projected to result in savings in dollars and personnel through

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[2]   The assessments made in this section regarding the period of 2014–2016 were developed in the initial RAND study effort and documented in: Daniel M. Gerstein, Karen Edwards, Dulani Woods, Julie Newell, and Jennifer D. P. Moroney, *Assessment of the Consolidation of the Australian Customs and Border Protection Service (ACBPS) with the Department of Immigration and Border Protection (DIBP).* Santa Monica, Calif.: RAND Corporation, 2016. At www.rand.org/pubs/research_reports/RR1713

The 2016–2017 assessments result from the data collection and interviews conducted during the second RAND study.

2020. The savings in the top line has begun, while the personnel savings are expected later in the reorganisation.

A total of 168 operational program performance measures were provided by the DIBP for consideration; however, either no data or insufficient data was available for 90 metrics, as the data collection methods had changed for some or new data elements were developed. Where data across the three-year period from 2014–2017 was not available, the metric was determined to be not available.

Thus, 78 metrics were used in conducting the analysis. Of these 78 metrics, 44 (56.4 per cent) met targets or were improving, 29 (37.2 per cent) remained constant, and 5 (6.4 per cent) "did not meet target or were declining." Therefore, the conclusions were that 73 of the metrics, almost 94 per cent, either "met targets or were improving" or "remained constant" (see Figure 2.1).

In 2016, the Border Intelligence Fusion Centre (BIFC) was established within the DIBP to better identify potential threats across the border continuum. The centre brings together intelligence gathering and targeting functions that support border operations, including those functions that were previously delivered by the National Border Targeting Centre. Through the centre, the department aims to enhance risk assessments of international passengers and cargo by improving access to analysis; coordination and sharing border-related data; and collaborating with similar targeting centres in the United States, Canada, the United Kingdom, and New Zealand.[3]

Continued reform is ongoing to address identified operational shortfalls. An ABF Enforcement Command was established in 2017 for linking referrals and assessments with investigations. This organisation is intended to provide an end-to-end alignment of the investigations, intelligence, detention apparatus, case management, and resolution activities. Initial reports concerning operational impact have been positive. A recent example of where the command has demonstrated improved operational capacity was the tobacco strike team, where ABF and DIBP elements (such as intelligence) combined to take down a major smuggling ring.[4]

The views of the regional DIBP directors and ABF commanders gathered through the interviews provided an important perspective. Personnel in these locations have been encouraged by the operational changes and attributed them with improving outcomes. For example, risk management and community safety are ensuring that immigration decisions incorporate a balance of national security and the humanitarian facilitative immigration ethos from the former Department of Immigration.[5]

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[3] Australian National Audit Office (ANAO), *Operation of the Border Intelligence Fusion Centre.* As of 7 December 2017: http://www.anao.gov.au/work/performance-audit/operation-border-intelligence-fusion-centre

[4] Australian Department of Immigration and Border Protection, *ABF Continues to Smash Tobacco Syndicates in Victoria*, 18 August 2017. As of 7 December 2017: http://newsroom.border.gov.au/releases/abf-continues-to -smash-tobacco-syndicates-in-victoria

[5] Interview with senior DIBP regional official on August 24, 2017, in telephone interview, Australia. (19)

Figure 2.1
Operational Metrics Assessment

Outcomes and Programs	Budget trend	Met target or improving	No change	Did not meet target or declining	Data not available	Total measures (Indicators, PKI, etc.)
Outcome 1: Protect Australia's sovereignty, security, and safety by managing its border, including through managing the stay and departure of all non-citizens.		5	3	1	2	11
Program 1.1: Border Enforcement		3	2	2	13	20
Program 1.2: Border Management		2	2	-	21	25
Program 1.3: Onshore Compliance and Detention		9	9	1	19	38
Program 1.4: IMA Offshore Management		3	2	-	2	7
Program 1.5: Regional Cooperation		-	-	-	2	2
Outcome 1 Totals		22	18	4	59	103
Outcome 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa and citizenship programs and provision of refugee and humanitarian assistance.		1	1	-	1	3
Program 2.1: Citizenship		-	-	-	3	3
Program 2.2: Migration		8	3	-	3	14
Program 2.3: Visas		3	4	-	2	9
Program 2.4: Refugee and Humanitarian Assistance		-	1	-	1	2
Outcome 2 Totals		12	9	-	10	31
Outcome 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.		-	-	-	1	1
Program 3.1 Border-Revenue Collection		-	-	-	2	2
Program 3.2 Trade Facilitation and Industry Engagement		-	-	-	8	8
Outcome 3 Totals		-	-	-	10	10
Unassigned		10	2	1	11	24
Total for Outcomes 1, 2, and 3		44	29	5	90	168

NOTES:

1. The assessments in this figure reflect the examination of 168 available metrics. Where possible, trends during the period 2014–2017 were identified. However, in some cases, the data was not available or was incomplete. In such cases, a categorisation of "data not available" was made. Additionally, given data from different sources, it was necessary to employ reasoned assumptions and professional judgments in making some of the comparisons. For example, in some areas, one metric was no longer being collected, but another closely related metric allowed for examining three years of data.

2. The outcomes are from *Portfolio Budget Statements 2017–18, Budget Related Paper No. 111, Immigration and Border Protection Portfolio.*

3. The term "unassigned" refers to metrics that have not been identified as belonging to a particular outcome or programme.

During interviews, difficulties with clarity on delegations and authorities were determined to have an operational impact, introducing ambiguities into roles and obligations and unhelpful friction into the operations. An example is in detention and case resolutions, where multiple handoffs between the DIBP and ABF caused confusion and potentially some delays.[6] Another is where ABF leadership had no single authoritative source about what delegated powers, obligations, and qualifications applied to any particular position or individual. The DIBP sought to clarify functional ambiguities through a Functional Accountability Review in 2016 and to audit legal and administrative obligations through the more recent Administrative Compliance Review in mid-2017. An ongoing program of work is required to respond to the findings of the latter, and a similar review of functional accountabilities should be considered after the creation of HA.

Operational effectiveness has been increased through integration and reform; however, investments for the future in areas such as information systems, data analysis, decisionmaking, enterprise research and development for key technologies, and technology expenditures could limit the overall effectiveness of the organisation and the efficiencies that can be realised. Many interviewees highlighted the need for additional resources to support enhancements in these areas. This issue will be examined further later in this chapter.

Culture and Personnel

Culture and personnel was an area of considerable interest to the DIBP leadership prior to integration. Several initiatives were specifically established to build workforce capacity. These included employee engagement programs, establishing an ABF single uniform and dress and appearance standards, combining management functions (for example, human resources, finance, and badging), and standing up the ABF College. These were also intended to demonstrate leadership commitment to the workforce and the reorganisation. However, shortly after the reorganisation began, an employee viewpoint survey indicated significant dissatisfaction within the workforce, particularly with senior leadership engagement.

During the period 2016–2017, efforts toward building a unified professional culture and addressing personnel issues continued; of note, this contrasts with the earlier stated goal of developing a single DIBP culture. Some successes have been observed, particularly in the areas of workforce acceptance of mandatory drug and alcohol testing. The new program, Arête, was enthusiastically cited by numerous senior DIBP leaders with expectations that the new initiative would assist in addressing shortfalls in areas of administrative compliance, integrity, and corruption that had been identified in recent internal and external audits. Programs such as Operation Arête also are designed to reinforce standards and professionalise the workforce.

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[6]   Telephone conversation with DIBP regional official on August 24, 2017, Australia. (19)

The area of L&D, particularly in relation to that delivered by the ABF College, continues to be underdelivering on the promises made as part of integration, and this is a source of frustration for the workforce. A variety of issues, including lack of resources, inability to attend L&D opportunities due to operational commitments, curriculum deficiencies, and failure to introduce new instructional methods and technology have hindered progress. Issues with differences in pay and allowances between former Customs and Immigration personnel continue to stress the workforce. A variety of programs are underway in the People Division, such as assessing and building executive-level leadership capabilities, gaining senior leadership feedback on the expectations and requirements from human resources, improving individual feedback, and improving workforce participation in these activities.[7] Continued leadership engagement at all levels will be imperative for achieving growth in this area.

Several senior leaders commented on the emerging realisation that the workforce in many cases lacks the capability to do the work required of their assigned positions. During integration, people were put in positions to fill slots within the newly formed DIBP organisation, but many lacked the education, experience, and training to fulfil the expectation of the roles to which they had been assigned. Those positions requiring high-level policy skills, strategic thought, analytical capacity, and enterprise understanding were challenging to fill with appropriate individuals. Having people in these positions lacking appropriate skills was a detriment to integration and reform.[8]

The workforce enterprise agreement continues to be a source of friction and contributes to a perceived inequity regarding the treatment of, pay, and allowances of ex-Customs and ex-Immigration officials. Inequities in pay and allowances, even those that are relatively small, along with the extended delay in reaching an enterprise agreement, have created serious morale concerns.

While the ABF has made progress operationally, in the personnel area, issues with individual accountability continue to surface. The proper wearing of the uniform and even the lack of a clear policy position regarding who or which roles in the ABF should be allowed to wear uniforms have caused concerns.[9]

Some—externally through the Australian National Audit Office (ANAO) and internally—have also criticised the ABF organisation for lack of sufficient accountability. Two examples were used to illustrate this issue. The first was fiscal responsibility and

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[7]   Interview with senior DIBP official on October 19, 2017.

[8]   Interview with senior DIBP official on August 22, 2017, in Belconnen, Australian Capital Territory. (16)

[9]   Interview with senior DIBP official on August 22, 2017, in Belconnen, Australian Capital Territory. (16)

accountability, where it had been observed that the department provided additional funding for the ABF to make up for areas where budgets were exceeded, noting that no other organisation had been afforded this luxury.[10] The second example was the ABF's inability to account for the powers it has, such as failing to account for which officers had received use of force training.[11]

The overpromising and underdelivering of the ABF College continues to have detrimental effects throughout the DIBP. The college was intended to provide graduates task management, resource management, and functional law enforcement skills that could be used across many domain environments (for example, aviation, waterfront, and investigations). Such a curriculum was intended to provide the foundations for developing a professional workforce as well as professionalisation of the reformed DIBP organisation.

However, the hope that the college could serve as a platform for building a DIBP culture and professional workforce has not substantially materialised. In fact, the inability of anyone other than ABF personnel and new recruits to attend the college has led to broader morale issues. It has also had a negative impact on personnel mobility that had been envisioned to allow for former Customs and Immigration personnel to cross-train and move between functions; this lack of mobility featured strongly in staff surveys as an area of considerable discontent.

Senior leadership engagement and communications with the workforce continue to be of concern. Several interviewees strongly identified the need to continue to press this issue, and this is confirmed as one of the top three findings of concern in staff surveys. A greater investment in strategic communications could provide important benefits for communicating with senior leaders, the workforce, and key stakeholders.[12]

DIBP and ABF regional leadership have seen important growth toward a more integrated DIBP culture. One example was a regional DIBP official who spoke about conducting weekly joint staff meetings, holding joint awards ceremonies, and co-locating their organisations. These interactions helped to normalise DIBP and ABF collaboration, including civilian and uniformed personnel relationships. Despite this positive example, this same official noted that legacy cultures do remain, although no longer as prominent as even a year ago.[13]

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[10] This issue could be a misinterpretation of the additional funding that was provided for Operation Sovereign Borders, where additional resourcing was provided. This surfaced in an interview with a senior DIBP official on August 25, 2017, in Belconnen, Australian Capital Territory. (22)

[11] Interview with senior DIBP official on August 22, 2017, in Belconnen, Australian Capital Territory. (16)

[12] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (12)

[13] Telephone interview with senior DIBP regional official on August 24, 2017, Australia. (20)

In looking toward the establishment of HA, one senior official observed that the "loose decoupling" of the DIBP and ABF could break the cultural integration that has occurred largely over the past year, hindering the progress that has been made.[14]

Capability

Progress in developing DIBP capability was evident during the initial study. Reductions in DIBP costs were achieved with no negative impact on mission accomplishment. At the time of the publication of the initial report, the DIBP had also undertaken efforts to build capacity in the planning, programming, requirements generation, and budgeting functions of the department; these efforts were in the early stages but had potential to improve the department's operational effectiveness and efficiency, in addition to developing a "strategy to resources" framework.

During the 2016–2017 period, efforts to build capability have continued. However, some new challenges have been identified and are now being addressed. Some of the most challenging issues have been building capabilities in the ECM functions and associated systems, which are critical to achieving the goals of the DIBP integration and reform.

Overall, building capability can be best characterised as making clear progress in some areas and considerably slower progress in others. Clear differences between the POI versus the ECM sides of DIBP exist. Resourcing is a potential contributor to the disparity, where the ECM functions uniformly were cited as having comparatively fewer resources to accomplish necessary functions. L&D and investigations were cited as examples of these disparities. One senior ABF official highlighted that resource savings had been taken even before the replacement capabilities had been fielded, thus leading to operational shortfalls.[15]

As part of the initial integration, many roles and missions were aligned, but others were either not aligned correctly or had been omitted in the delegations. A Functional Accountability Review (FAR) was held from September through December 2016 in which many of these issues were identified and addressed. Still, areas requiring realignment continue to be discovered. A related issue concerns horizontal alignment across other government departments and agencies, where some post-integration relationships have not been fully aligned and reestablished.

Efforts to build ECM systems can be characterised as creating prototypes or, at best, as the early stages of incorporation within DIBP. The Transformation Delivery Framework and Blueprint provides the documentation and platforms for tracking and building capacity. These tools had been under development, were endorsed in principle in 2016, and were used in the first quarterly report to the DIBP Executive Committee in July 2017. This important function needs to continue receiving resources and senior leader attention to ensure its success. In addition to the incorporation of the framework

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[14] Telephone interview with senior DIBP regional official on August 24, 2017, Australia. (20)

[15] Telephone interview with senior ABF regional official on August 25, 2017, Australia. (27)

into DIBP management, building benefits realisation and contestability capacity[16] (the former of which has commenced in the Intelligence and Capability group) would be necessary to ensure proper strategy to resources alignment.

Some support functions were identified as not yet having been integrated. ICT falls into this category. The same is true for data storage and documentation. Highlighting the complexity of developing DIBP enterprise systems, one former senior official noted that the "ICT systems in the DIBP largely operate on different platforms, with different systems."[17]

The ICT issues are extremely complex. Many legacy systems from both parent organisations remain within the department. One senior official noted there were over 500 core systems in use within the department. Many are being run on obsolete hardware and software platforms that cannot be easily replaced, and to do so would likely require a break in service.[18] One individual commented that ECM issues such as payroll, security clearances, and access to information have negatively affected the department's integration and reform progress, including in operational areas.[19]

Building enterprise-wide systems has been challenging due to the many legacy elements of and lack of resources for replacements. Identity management and biometrics—where Customs and Immigration had disparate systems prior to the integration—provide examples of where progress has been made over the past 12 months. During this period, a DIBP enterprise-wide system for these systems has been established.[20]

Little focus on research, development, and acquisition—essential for achieving the DIBP transformation—has been observed.[21] This is important given that efficiencies are likely to come in operational and support functions where personnel requirements can be offset through technology solutions. Improving areas such as data decisionmaking, open-source collection, and social media analysis would benefit from additional research and development. Such capabilities are critical for improving functional areas such as intelligence and investigations.[22]

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[16] A definition of contestability from the Defence website is: "Contestability is a decision support function not a decision-making function. Contestability Division will contest programs and projects across the Capability Life Cycle (CLC) . . ." At http://www.defence.gov.au/spi/Divisions/Contestability.asp

The level of contestability undertaken on a program or project will be proportional based on the assessed risk of the program or project. The Contestability Division has four levels of contestability, which direct the level of resources applied to each program or project.

[17] R. C. Smith, AO PSM, Independent Review Leader for the Functional and Efficiency Review of the Department of Immigration and Border Protection, October 14, 2016.

[18] Interview with senior DIBP official on August 25, 2017, in Belconnen, Australian Capital Territory. (23)

[19] Interview with senior DIBP official on August 25, 2017, in Belconnen, Australian Capital Territory. (24)

[20] Interview with senior DIBP official on August 25, 2017, in Belconnen, Australian Capital Territory. (23)

[21] The only technological enhancements mentioned consistently were biometrics and Smart Gates.

[22] Interview with senior DIBP official on August 25, 2017, in Belconnen, Australian Capital Territory. (23)

Overall, regional leadership is far less critical of the capacity-building issues. They have recognised building capabilities will require their efforts to overcome the centralised departmental-level planning shortfalls and build capability in their respective regions. For example, the original delegations were not as informed or accurate as they needed to be, but regional authorities have managed to operate through the issues. Seams between the DIBP and ABF regarding intelligence, detentions, investigations, case management, and status resolution required transitions between the two organisations that complicated achieving timely outcomes; however, regional authorities solved these issues collaboratively. In looking to the future, one senior official offered the hope that, in the establishment of HA, some of these issues could be revisited and perhaps documentation changed to reflect how operations function in the regions.[23]

Concerning ECM issues, regional leaders discussed difficulties with how some of the shared services had been delivered. For example, the ICT system received several complaints, and the increasing need for ICT in case management and resolution exacerbated this issue. Another example was in the case of human resource management, where the shared services model seems to introduce inefficiencies into the system.[24]

Noting that further rollout of shared services arrangements across the Australian Public Service (APS) is government policy, regional officials did express support for further consolidations for ECM areas. Doing so would provide opportunity for greater focus on core operational elements of the mission.

Implementation of the Integration and Reform Elements

Action Plan

In the initial study, findings were that the detailed pre-integration planning did not translate to excellence in DIBP integration and reform. The objectives, milestones, and activities for getting to 1 July 2015 had no corollary for the post-integration period. Furthermore, even in the pre-integration period, no metrics had been developed for tracking progress. The lack of a detailed implementation plan (with accompanying objectives, milestones, activities, and metrics for each) contributed to a loss of momentum. The placement of execution monitoring with the first assistant secretary also contributed to the loss of momentum, and the change to making the deputy secretary the responsible change agent was a strong move for both improving execution and signalling the workforce.

During the 2016–2017 period (transitioning from post-integration to reform), many of the responsibilities for progress toward building the twenty-first-century border management capabilities devolved to lower-level entities, resulting in very different

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[23] Telephone interview with senior DIBP regional official on August 24, 2017, Australia. (19)

[24] Telephone interview with senior DIBP regional official on August 24, 2017, Australia. (20)

outcomes across the DIBP and in the regions. For example, the intelligence function—largely based on numerous reviews and recommendations that provided an important foundation for building an intelligence framework—has matured considerably. Others, such as investigations, continue to evolve and show growth, but resource shortfalls and an increasingly difficult threat posture have made progress in this area more challenging. Other areas, such as L&D and building enterprise solutions, have been hindered by several factors. Several specific issues were cited regarding L&D.

Curriculum was identified as not adequate for the training the DIBP requires. Teaching methods and the limited use of technology also received significant criticism. Resourcing was also identified as an overarching problem, including allowing time for personnel to attend training. Those officials characterised as non-ABF and part of the existing workforce reportedly are disenfranchised by the perceived lack of opportunity to attend the ABF College.[25]

As discussed, some business delegations were not aligned as part of the integration and, therefore, did not have a responsible office overseeing them. Several of these issues have been identified in the 2016–2017 reform period, and the delegations (or organisational responsibilities) are being aligned to ensure all areas are appropriately covered. Examples include international engagement and corporate records management.[26] Another example is the development of a contestability function for the DIBP, which, to date, remains a recognised shortfall needing to be corrected.[27]

Staffing within the DIBP was also mentioned as an area that has continued to hinder the reform. Many senior leaders lacked management experience in strategic decisionmaking, high-level enterprise functions, and multidisciplinary issues.[28] The result was that, in some cases, positions were held by individuals who were not prepared to execute the responsibilities of the offices to which they had been assigned.

Numerous interviewees highlighted leadership and personnel turnover as a serious issue. Throughout the integration and reform period, key leaders departed the department; in many cases this amounted to the loss of a senior leader with a decade or more of experience in an area. The lack of continuity was also seen as a detractor for developing functional systems.[29] Addressing leadership and personnel turnover will be critical for furthering the HA reform journey.

Regional leaders stated that strategic communications from Canberra were marginal, and this is supported by negative staff perception about communications as reflected in staff surveys. The quantity of the communications was adequate, but the

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[25] These judgments were made largely based on interviews with senior DIBP (and ABF) staff during the period of 14–25 August 2017. Further details are contained in subsequent sections of the report.

[26] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (12)

[27] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (13)

[28] Interview with senior DIBP official on August 18, 2017 in Belconnen, Australian Capital Territory. (13)

[29] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (14)

messaging was seen as far too Canberra-centric. The messages also were at too high a level to be useful in talking to the regional workforce; therefore many of the messages did not resonate with regional organisations and personnel. This shortfall continues today, and to alleviate this issue, regional authorities have developed their own messaging and their own local tools for communicating with their own workforces.

Monitoring Progress

The initial RAND report highlighted the shortfalls associated with not having a detailed implementation plan that would have allowed for monitoring the progress of the post-integration and reform efforts. The incorporation of the Integration Action Tracker was intended to re-energise the reform effort. Elevating the responsibility for monitoring progress of integration and reform to the deputy secretary level was part of this effort to regain momentum.

During the 2016–2017 period, the Transformation Delivery Framework and Blueprint was developed, which should provide a tool and forum for monitoring progress. However, as noted, this effort is in the early stages, and its utility in tracking reform efforts and synchronising functions at a high level across the department will need to be assessed as it matures. Additionally, in several key areas, no programs were developed for "testing foundations" to ensure programs and institutions were capable of accomplishing assigned duties.[30] This is related to the lack of a contestability function in the DIBP.

Additionally, over the past 12 months, the secretary directed an effort toward "organisational hygiene." These efforts were established to ensure the stability of core organisational practices and policies ahead of future reforms. Specifically, a comprehensive six-month review—led by a senior executive from the corporate group—was undertaken across all areas of compliance and the maturing control frameworks. The Policy and Procedure Control Framework (PPCF) was also recently finalised, providing additional focus on audit and assurance areas and ensuring the integration effort had not left any loose threads. These efforts are important for ensuring a stable foundation on which to build Home Affairs.[31]

In the past, and prior to integration, reviews with numerous recommendations would occur. However, the recommendations would not be implemented, and there was no central system for tracking them. New procedures, the assurance program, risk and control frameworks, and governance frameworks have alleviated many of these issues. Nevertheless, recent audits have found some shortfalls in metrics and the tracking of reform progress.[32]

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[30] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (12)

[31] Information provided by the Office of the First Assistant Secretary, Enterprise Strategy, Reform, and Performance Division on November 7, 2017.

[32] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (14)

The direct responsibility for monitoring the progress of integration and reform has since been moved from the deputy secretary back down to the first assistant secretary for Enterprise, Strategy, and Performance, who is also responsible for the Transformation Delivery Framework and Blueprint. While the deputy secretary has continued oversight of this work, it went from a dedicated deputy to the chief operating officer with eight direct reports (corporate, executive, people, finance, legal, health, integrity, and strategic reform). This created an oversight function that was severely diluted and had issues with span of control.

Data management and lack of metrics continues to be a source of concern. With the Transformation Delivery Framework and Blueprint now underway, these issues could be mitigated, but progress will need to be monitored closely. Furthermore, data should be stored using systems and formats that make it accessible and easily analysed.

As observed in the earlier study, the nearly exclusive focus of operational issues implies a variety of other important metrics associated with the health of the organisation, future planning considerations, resources and capabilities, and continuing reforms are not being adequately considered. The early work to present a regular organisational performance dashboard to the executive committee has stalled—in large part due to the aforementioned largely manual data management challenges. However, further integrated analysis needs to be undertaken to supplement the regular organisational health reporting to the executive committee. The shortfalls noted in the ECM functions are in some part related to a lack of organisational focus on resourcing, developing, and maturing these critical areas.

Conclusions

Trends over the 2014–2017 period reflect that DIBP increased productivity despite budget reductions, increased operational tempo, and integration and reform efforts.

The integration of Customs and Immigration into a single department was a significant undertaking. While evidence of a strong planning process leading up to the 1 July 2015 execution date can be seen, planning for execution monitoring and assessment was problematic. Subsequent difficulties with a loss of momentum of the reorganisation had been observed during the execution phase in the first RAND study. This had also been observed by the DIBP, and efforts were underway to rectify the situation.

This RAND review showed an increase in momentum in some of the efforts. However, the planning and management shortfalls continue to plague the DIBP, particularly in ECM functions, where progress toward integration and reform noticeably lag POI functions.

In looking to the future, the most critical elements for improving the operational effectiveness and efficiency across the DIBP will be continued emphasis on achieving the original goals as laid out in the integration principles, continued leadership engagement

with the workforce, focusing on professionalising the ECM functions with the same attention as was given to the POI elements, and ensuring no loss of momentum in areas where progress has been made.

This last point will be especially important given the upcoming establishment of HA. The DIBP efforts toward full integration and reform must continue at the same time HA is being created. DIBP integration and reform can serve as a model to emulate in those areas where progress has been the greatest and as lessons to improve upon where progress has been lagging.

Follow-On Operational Assessment: Examination of the Five Key Areas

Introduction

Five key areas were identified for further examination as part of the initial study effort. They were selected based on sponsor direction and were seen to be areas requiring leadership emphasis. They also are crosscutting areas, requiring close collaboration within the DIBP and the ABF.

The goal was to understand the case for change and what programs and activities had been established for improving departmental operational effectiveness and efficiency and building the necessary institutions to realise the goals of integration and reform. They included: (1) intelligence, (2) investigations, (3) detention, (4) integrity and corruption, and (5) learning and development.

For each of the areas, a table of the findings from the original study has been included to serve as a reference to the earlier work as well as to highlight the changes that have occurred in post-integration or reform during 2016–2017.

Material in this section reflects a mix of information provided by the DIBP study sponsor, information collected independently by the RAND team, and interviews of senior government officials.

Intelligence

Initial Findings

Intelligence was identified as a key shortfall and a major contributor in establishing the need for combining the former DIBP and the ACBPS into a single department. Issues were noted at all levels of the former organisations, from strategic levels to individual law enforcement officers.

At the highest levels, only limited strategic intelligence capabilities had been developed, and the capacity differed greatly between Customs and Immigration. Immigration considered itself to be a facilitative, social policy organisation and not part of the national security apparatus, while Customs was a law enforcement agency with a definite

national security filter governing its operations. Information sharing was largely ad hoc rather than based on established protocols. Standardised formats that would have facilitated an information-sharing environment were not in place.

Even before integration began, Customs was transforming its capabilities in this area. The push toward a greater national security focus was ongoing at the time of the integration. Still, much needed to be done to fully develop an operational intelligence capability.

Thus, when integration began, Customs, with its larger intelligence staff footprint and broader vision for its role, served as the foundation for the new, combined organisation. This is not to imply that the Customs intelligence function was correctly performing for achieving the goals and objectives that would be laid out as part of the integration.

Several important initiatives were underway at the time of the initial RAND study. Based on a 2016 Integrated Intelligence Capability Review (Classified), 107 intelligence recommendations were identified, with many being accepted for incorporation into the structures and functions of the newly integrated DIBP. Emphasis was on intelligence and information sharing, ensuring that a strategic perspective was developed and that law enforcement officers in the department gained access to time-sensitive information in operationally relevant timeframes.

The entire intelligence enterprise—to include the operational support activities—was targeted to receive upgrades. A technology roadmap was being developed for managing the various modernisation efforts that were underway. A Learning Development Strategic Plan sought to develop the intelligence workforce through initiatives such as training and education of the current intelligence professionals and the use of career mapping. The expansion of the intelligence workforce meant additional hiring and associated training and education of the new recruits.

Updates from 2016–2017

Significant improvements were made during this reform period. Improvements in intelligence were attributed to following a deliberate change management approach based on previous reviews, analysis of the gaps that had been identified, and firm direction given by the intelligence mission area senior leadership.

This approach to building the architecture began with evaluating the results of several formal internal and external reviews. For example, the comprehensive 2016 Integrated Intelligence Capability Review (Classified) recommendations had provided a necessary foundation for reform of the entire mission space. Several other studies, including some broader efforts to review investigations and detentions, provided operational imperatives for intelligence reform. The approach has facilitated the development of a comprehensive system for intelligence collection, analysis, and dissemination, which has been identified as one of the important successes of the integration and reform effort.

The result has been the growth of the intelligence mission area from 320 to 523 personnel and the development of a centralised services model through a "hub and spoke" arrangement in support of the DIBP staff and regional commands. In this model, all intelligence personnel are assigned and report to the centralised organisation, and officers are located in and assigned to support forward business locations with operational and strategic intelligence products.

Over the last year, the intelligence mission space has begun to provide standardised intelligence products, some of which are available online. To complement these other intelligence efforts, a Border Intelligence Fusion Centre (BIFC) was developed in June 2016 to assist with threat identification across the border continuum. The centre includes intelligence gathering and targeting functions, including those previously delivered by the National Border Targeting Centre. The BIFC represents an improvement in intelligence collection and dissemination as well as overall risk assessment capability regarding passengers and cargo that will be increasingly important as visa and trade volumes continue to rise and as visa reform and trade facilitation progress.[1] Through the operation of the centre, the department aims to enhance risk assessments of international passengers and cargo by improving access to analysis, coordination, and sharing of border-related data, and to collaborate with similar targeting centres in the United States, Canada, the United Kingdom, and New Zealand.[2]

Uniformly, senior DIBP officials have indicated progress toward the development of a professional intelligence capability able to support the national security requirements tasked to the integrated DIBP while providing greater capacity to the individual law enforcement officer. The ability to deliver real-time intelligence has improved the delivery of targeted intelligence for operational support and has provided a more strategic view.

This enhanced support extends from the highest levels, where strategic intelligence drives operational force employment decisions and allows for shaping operations, down to the individual level, where higher quality, more reliable, and more timely information reaches DIBP field officers. One former ABF regional commander noted that the improvements in the intelligence function translated to more relevant and timely information being provided from the national level to the regional command where it could be further shared as necessary with front-line law enforcement officers.[3]

Still, additional growth is required to realise the goals established as part of the integration and subsequent reform. One senior DIBP official placed the progress toward

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[1] Interview with senior DIBP official on August 17, 2017, in Civic, Australian Capital Territory. (8)

[2] Australian National Audit Office (ANAO), *Operation of the Border Intelligence Fusion Centre*. As of 7 December 2017: http://www.anao.gov.au/work/performance-audit/operation-border-intelligence-fusion-centre

[3] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (7)

the DIBP goals at "two-thirds to three-quarters."[4] To further support this finding, another highlighted that while obvious improvements had been made, "maturity in terms of how to use the intelligence would be required."[5] Continuous improvement will be required to ensure that training, educating, and developing the experience of the individual officer is accomplished; preparing focused intelligence products with the operational consumer in mind becomes commonplace; and forward-looking intelligence products are prepared. Only through such emphasis will the full integration of intelligence into daily operations at all levels of the organisation be achieved.

Concerning the refinement of intelligence products, one official indicated that the quality of the intelligence products must continue to be refined and drive toward providing even more "actionable intel," new domains must become part of the intelligence products (for example, cyber), and greater use of technology, such as automating visa third-party checks, must be incorporated.[6] Additionally, a data management strategy, improving the quality or integrity of the data, and greater use of technology will also be important for taking intelligence to the next level.[7]

Another area of emphasis regards maturing intelligence collection. Several officials identified the need to improve in this area, highlighting that DIBP and ABF officers should be functioning as collectors. The justification was that an important percentage of the available intelligence does not get collected because this concept has not been embedded within ABF officers.[8]

Some concerns were expressed about the prioritisation of intelligence customers and missions. The concern was that the keen focus on national security and related intelligence had come at the expense of the non-national security intelligence side of the DIBP's mission. For example, intelligence supporting customs seemed to have higher priority than intelligence supporting immigration issues. These mentions were not meant as criticisms, but rather to highlight that non-national security intelligence remains important for achieving Australia's broader national economic and social cohesion goals and future savings commitments to government.

The greater use of technology to aid in the processing of raw data and information into operational intelligence was also identified as necessary to achieve further growth. In a sense, the new methods of collection and dissemination (that is, information sharing) have resulted in a greater volume of information, therefore a greater burden if one is

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[4]   Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (1)

[5]   Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (2)

[6]   Interview with senior DIBP official on August 17, 2017, in Civic, Australian Capital Territory. (9)

[7]   Interview with senior DIBP official on August 18, 2017, in Civic, Australian Capital Territory. (12)

[8]   Interview with senior DIBP official on August 25, 2017, in Belconnen, Australian Capital Territory. (23)

attempting to manually analyse and correlate the inputs. Investments would be beneficial to support these data-heavy processes and would undoubtedly require specialised hardware, software, and analysts to operate the systems.

Officials noted that, relative to other areas, intelligence had been a priority and, therefore, had been well resourced. This clearly showed over the past year, where improvements have been seen in important strategic and operational benefits resulting from these investments.

Overall, intelligence stands as a mission area where clear progress has been made, and the DIBP staff are uniform in assessing that the integration and subsequent reform was both needed and remains a work in progress. Several highlighted anecdotes were provided to demonstrate these improvements, but the reporters were also quick to emphasise that DIBP remains in the middle, rather than at the end, of the reform process.

Table 3.1 provides an overview of the findings for the pre-integration, post-integration, and reform periods. The pre-integration and post-integration sections were taken from the earlier report.

Investigations

Initial Findings

In the initial study, investigations were identified as a core mission area requiring considerable emphasis for the DIBP. This analysis spanned both external investigations dealing with operational immigration and customs issues as well as internal investigations of the workforce.

Numerous shortfalls had been identified in the earlier study; however, the primary cause of the underperformances was related to failure to develop and follow proper procedures for conducting investigations.

Other issues contributed to observed shortfalls in investigations during the pre-integration period. First, individual officers received only minimal training and education in the rules and procedures for correctly conducting investigations. Second, failure to vet officers contributed to allowing officers who lacked objectivity or had connections to criminal elements to exercise authority regarding investigations in an unprofessional and sometimes illegal manner.

Following the integration, the Customs initiatives that were being implemented served as the basis for the post-integration reform efforts. The importance of the Australian Commission for Law Enforcement Integrity (ACLEI), which serves as a guide for conducting internal investigations, gained additional prominence. Efforts were undertaken to ensure that government officials at all levels were guided by values-based standards of behaviour and performance of duty.

Table 3.1
Intelligence Assessment

Pre-Integration (Pre-2015)

- Both had
  - Lack of consistent sharing of information
  - Need for technology to become more effective and efficient in border management activities
  - Need for standardised training curricula and career paths
  - Lack of centralised access to intelligence information
  - No strategic intelligence function in either organisation.
- Customs had already started to build the capacity to support a national targeting capability focused on operational needs.

Post-Integration (2015–2016)

- Integrated Intelligence Capability Review (Classified) included 107 intelligence and intelligence-related recommendations.
  - Calls for information sharing and employing technology effectively and efficiently to manage customs, immigration, and border issues
- Development of a technology roadmap
- 2016 Learning Development Strategic Plan to develop formal career mapping, training, learning, and education programs
- Systems-related investment in development of a future single intelligence data store
- Hiring of intelligence professionals to build capacity

Reform (2016–2017)

- Significant progress toward achieving the goals of the integration and reform
- Numerous reviews and recommendations provided an important foundation for building an intelligence framework for the department.
  - Has allowed the development of a comprehensive intelligence function that is recognised for its excellence
- Some shortfalls have been noted in technical areas, such as continuing to develop the workforce, analysis, and use of technology, but overall progress has been significant.
  - Additional investments would likely be necessary to continue the pace of the intelligence reform.
- The intelligence mission area could serve as a model for other areas; the methodical approach to intelligence reform would be beneficial in the other five priority areas as well.

Pre-employment background checks and suitability investigations were incorporated into the hiring process. The 2016 Vocational Competency Profile, Investigations, Compliance and Regulation, Border Force document specifically provided a detailed description of workforce requirements for dealing with investigations. Specialising anti-corruption changes also were incorporated into training and education. These opportunities were designed to stress codes of conduct and objectivity in conducting investigations.

Updates from 2016–2017

This area remains a work in progress, as reported by numerous senior officials who were interviewed. Necessary improvements were identified for reducing and monitoring infractions committed by the internal workforce and for dealing with customs and immigration investigation issues that surface.

Regarding internal investigations, several recent high-profile cases have brought this issue to the forefront once again. These cases include investigations into the conduct of two very senior ABF officers as well as lower-level DIBP staff who were being investigated through external investigations into transnational crime syndicates.

The Joint Organised Crime Group investigations into high-level organised crime syndicates, such as the Jomaa syndicate, represent a major investigation success that was significantly undermined by the involvement of DIBP staff. In April 2017 ABF team leader Craig Eakin and former border officer–turned New South Wales Police employee Johayna Merhi were arrested in Sydney.[9]

Less visible cases—for example, collusion for filing fake medical expenses—have been identified and adjudicated, which has raised visibility on corruption issues. In one case, the offender was a staff member of one of the interviewees.[10]

Recently, DIBP's increasing capacity to conduct internal investigations coupled with its improved relationship with ACLEI has resulted in ACLEI allowing a larger number of cases to be handled within the department. Previously, cases had to be referred to ACLEI and required three to four weeks to determine whether the DIBP would be allowed to conduct the investigation. This new procedure should assist with reducing processing times.[11]

The DIBP secretary has expressed high expectations for outcomes in this area, and a consensus remains that the internal investigations capacity should be improved through allocation of additional resources. Furthermore, officials commented that timeliness of the investigations and transparency regarding the incidents and outcomes (within privacy limits) would be helpful in demonstrating to the workforce that indiscretions and criminal activity have consequences and will not be tolerated.

One senior official noted that, regarding internal investigations, substantial growth in the past several months has occurred with the infusion of new people with new skills. This same individual stated that Operation Arête, the ABF's own integrity assurance measure, was serving as an important communications tool for messaging

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[9] Nick Hansen, "Syndicate Allegedly Bribed ABF Officers to Smuggle Drugs into Australia," *Daily Telegraph,* 10 August 2017. As of 7 December 2017: http://www.dailytelegraph.com.au/news/nsw/syndicate-allegedly -bribed-abf-officers-to-smuggle-drugs-into-australia/news-story/dfab4ed6e2a3e0e018eca0d623000517

[10] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (4)

[11] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (15)

the need to "do the right thing."[12] Senior leaders responsible for Arête have visited each of the commands and regional directors twice over the past year, and a website has been established to promote this initiative.[13]

An ABF Enforcement Command was established in 2017 for linking referrals and assessments with investigations. Upon receiving a referral, intelligence assessments and prioritisation are made on a case-by-case basis. This prioritisation then supports the selection of the cases to be investigated. This process is in its early stages and is continuing to be refined. The overarching intent is to have a departmental focus on investigations and to bring all enforcement activity under one command. Early results have been positive, resulting in clearer exercise of powers and agility in conducting investigations.[14]

While steady gains have been made in conducting customs and immigration investigations, several important shortcomings were identified. Resources for conducting investigations were identified by senior leaders as inadequate for the timely investigation and disposition of cases. The resourcing shortfall also led to concerns by some about the perceived imbalance between customs and immigration investigations. Several noted that customs cases received higher prioritisation for investigations of these infractions.

Concern about the lack of powers for conducting investigations was also highlighted as an issue. Specifically, this lack of powers is related to the ability to manage the current powers and authorities held by the ABF. This was identified in a recent internal audit.[15] The ABF would like to have greater powers, yet needs to address findings of recent audits into their exercise of power. As such, the ABF is unlikely to see this desired increase in the near term.

Several workforce issues contributed to concerns about investigations. First was the training of individual law enforcement officers and investigators, particularly regarding investigative authorities. Several noted concerns about officers not understanding the law, use of force protocols, and rules of engagement as examples of basic law enforcement training shortfalls. In some cases, the result has been abuse of power. Second, the lack of well-trained and experienced investigators was noted repeatedly as an issue requiring attention. Training existing staff is necessary but not sufficient, as developing experience in investigations requires personnel to "flow through the system," gaining critical experience in various positions to acquire the necessary knowledge expected of a seasoned investigator. Third, ensuring that law enforcement officers are

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[12] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (12)

[13] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (15)

[14] Interview with senior DIBP official on August 17, 2017, in Civic, Australian Capital Territory. (11)

[15] Interview with senior DIBP official on August 17, 2017, in Civic, Australian Capital Territory. (9)

following established processes and procedures was a recognised issue. A training package largely focused on correcting this issue was available in October 2017.[16]

The increased capability to conduct external investigations has been further strengthened by the development of human intelligence capabilities feeding investigations and by combining field compliance and investigations under the new Enforcement Command. This increased capability, along with changes in visa cancellation policies, has resulted in more cases being opened for potential immigration and customs infractions and led to an increased workload.

The higher caseload has translated to the identification of more customs infractions and individuals with criminal records in Australia seeking to travel. In the case of the immigrant population, this increased workload has consequences for the population being held in detention that will be discussed in the next section.

Recent arrests for smuggling represent "big wins" for the DIBP. The public discussion of the case was an example of the type of recognition needed to build the reputation of the department and serve as a deterrent for others tempted to engage in criminal behaviour. One DIBP official offered that the joint intelligence and counter-intelligence team helped position the ABF to respond well in investigating the Sydney terror plot.[17]

Despite some successes in customs and immigration investigations and prosecutions, one official summed up the progress over the past year as significant improvements regarding investigations for field compliance and removals, yet still "having a long way to go" with regard to developing a mature internal investigations capability.[18]

Table 3.2 provides an overview of the findings for the pre-integration, post-integration, and reform periods. The pre-integration and integration sections have been taken from the earlier report.

Detention

Initial Findings

The Vivian Alvarez Solon and Cornelia Rau cases served as major catalysts for self-examination of the detention system.[19] Several studies directly or tangentially related to

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[16] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (7)

[17] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (1)

[18] Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (1)

[19] Two high-profile 2005 government reports detailed the circumstances surrounding the Rau and Alvarez cases: the Palmer report, which details the Rau affair, and the Comrie report detailing the Alvarez case. The Palmer report detailing the Rau case also produced detailed findings and identified numerous key shortfalls that spanned from individual officers' actions to departmental-level decisionmaking. The Comrie report provided both an exhaustive examination of the events surrounding the Alvarez case as well as a lengthy list of recommendations

Table 3.2
Investigations Assessment

Pre-Integration (Pre-2015)

- Recognised shortfalls across several areas, including internal and external investigations

- Lacked emphasis on proper procedures for conducting the range of investigations required of a customs, immigration, and border organisation

- Recommended that training programs for compliance and investigations included the need for "focus on objectivity in decision-making and a strong warning that false assumptions will contribute to poor decisions"

Post-Integration (2015–2016)

- Increased focus on how to correctly conduct investigations, beginning with fundamentals such as information/intel sharing, use of technology, and decision-making skills

- 2016 document "Vocational Competency Profile, Investigations, Compliance and Regulation, Border Force" specifically provided a detailed description of workforce requirements for dealing with investigations.

- Major improvements to investigations were underway based on incorporating training on related issues such as anti-corruption and workforce reporting.

- Implementation of mandatory background checks had been developed for all staff.

Reform (2016–2017)

- Investigations are an improving area, both from the perspective of internal (workforce) and external (customs and immigration) investigations.

- However, both are underfunded, which hinders the timeliness of investigation and resolution of cases.

- Regarding internal investigations, greater visibility of outcomes for the workforce could serve as an important deterrent.

- Regarding external investigations, greater use of intelligence has been a necessary and important component.

the cases highlighted necessary or recommended changes. Many of these efforts either were under consideration or were in the process of being implemented at the time of integration. At the same time, the detention workload was increasing, mandating improvements to the entire immigration system, including the detention piece.

With the beginning of integration in July 2015, the data indicated operational performance had improved despite the increase in workload. Metrics associated with the number of people in detention, for example, indicated a reduction in total number of people in a detained status. Interviews with senior DIBP personnel also pointed to metrics such as reduced number of detention incidents in the context of an increasingly

for improving the detention system. Shortfalls were noted across all areas related to detention, including investigations, use of standardised processes, decisionmaking, training, and infrastructure shortfalls. These two cases came to form the major foundation in developing the case for change in immigration and ultimately were key to the development of the DIBP.

higher-risk detention population. This reflects improvements in risk management and staff professionalism that had been lacking in the former organisation.

Also noteworthy is the development of documentation for managing and conducting detainee operations based on recommendations from previous reports. At the time, it was too early to assess how well the recommendations and the reorganisation had been implemented, but initial efforts were positive.

While Immigration had received repeated recommendations to fix systemic issues in its dealings with people at the border and in the detention network, commencing with the Palmer[20] and Comrie[21] reports in 2006, many of the same systemic issues were identified in later reports (including the Moss review,[22] and, as recently as 2016, the Child Protection Panel report[23]), indicating that systemic corrections had not been successfully made.

Finally, in the initial study, the finding highlighted that efforts to build a strategy to resourcing capability were under development. Several guidance documents were under development to improve overall detention operations. The efforts were also designed to provide the necessary flexibility to superintendents and field compliance operations superintendents.

Updates from 2016–2017

The overall assessment is that detention operations have improved and will continue to do so as the Detention Capability Review (DCR) implementation effort progresses. A changing viewpoint in which detention is seen not as a standalone program but rather as part of a larger immigration status resolution system has helped focus attention on the broader goals of the immigration system. Furthermore, the department remains committed to reducing the detention facility footprint through closures of the Manus offshore detention centre, as well as onshore detention facilities.[24]

Given this viewpoint, policies, procedures, delegations, and training in detention operations all need to keep pace with changes driven by integration and new policy

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[20] Mick Palmer, *Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau*, Canberra: Commonwealth of Australia, July 2005. As of 12 December 2017: http://www.border.gov.au/ReportsandPublications/Documents/reviews-and-inquiries/palmer-report.pdf

[21] Neil Comrie, *Inquiry into the Circumstances of the Vivian Alvarez Matter*, Canberra: Commonwealth Ombudsman, September 2005. As of 17 January 2018: http://www.ombudsman.gov.au/__data/assets/pdf_file/0019/26182/investigation_2005_03.pdf

[22] Philip Moss, *Review into Recent Allegations Relating to Conditions and Circumstances at the Regional Processing Centre in Nauru*, Canberra: Commonwealth of Australia, March 2015. As of 12 December 2017: https://www.documentcloud.org/documents/1689988-moss-report-review-conditions-circumstances-nauru.html

[23] The Government of Australia website contains information on the Child Protection Panel terms of reference and report. As of 12 December 2017: https://www.border.gov.au/about/reports-publications/reviews-inquiries/child-protection-panel-terms-of-reference

[24] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (12)

directives such as those surrounding visa cancellations that have resulted in significant changes to the risk profile of the detention population.[25]

The current detention population goal is 1,000 detainees; however, there are currently some 1,300 individuals in detention. Resolving the tension between policy directives that expand the flow of people into detention while achieving the target for the overall number of detainees held in detention will be challenging. It will further be exacerbated by an evolving risk environment in which more criminals are being detained, resulting in greater risk to DIBP personnel and the overall detention population. The move toward removing criminals while serving their custodial sentences needs to be prioritised to address these issues.

The decision to close Manus Island detention facility by 31 October 2017 has been a source of considerable public debate. Even so, it reflects a significant and welcome step regarding detention reform.

Another major initiative has been the policy change regarding holding children in detention. The goal has been to bring to zero the number of children being held. In effect, this metric has been largely met, as children are now held only for extremely short periods where absolutely necessary, until they can be processed and returned to their home locations. This initiative also relates to the overall effort to place all lower-risk people in the community rather than in facilities.[26]

The use of the DCR to drive changes in detention operations has been tied to enhancements in the overall detention mission area. The DCR highlighted the need to consider detention operations as part of a larger immigration management system. It also provided an authoritative tool for detention status resolution that will standardise outcomes.

Despite improvements, the DIBP continues to be criticised for detention operations. For example, a 2016 audit from the ANAO highlighted concerns about offshore facilities, including $2.2 billion spent to hire private contractors.[27] Advocacy groups also continue to make the case for community vice offshore detention as being more humane and less costly.[28] This criticism highlights the need for a comprehensive detention policy and framework. To this end, several senior DIBP officials identified the continued need for maturing detention operations capabilities.

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[25] Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (2)

[26] Australian Department of Immigration and Border Protection, *Immigration Detention and Community Statistics Summary,* 31 May 2017. As of 7 December 2017: http://www.border.gov.au/ReportsandPublications/Documents /statistics/immigration-detention-statistics-31-may-2017.pdf

[27] Australian National Audit Office (ANAO), *Offshore Processing Centres in Nauru and Papua New Guinea: Contract Management of Garrison Support and Welfare Services*, 17 January 2017. As of 7 December 2017: http://www.anao.gov .au/work/performance-audit/offshore-processing-centres-nauru-and-papua-new-guinea-contract-management

[28] International Detention Coalition, *More Evidence That Alternatives to Detention Are Cheaper in Austra-lia,* 9 February 2017. As of 7 December 2017: http://idcoalition.org/news/more-evidence-that-alternatives-to -detention-are-cheaper-in-australia

The changing demographics of the populations held in detention will continue to stress the detention system and must be factored into any future decisions regarding maturing the enterprise. A growing population of criminals and those posing a danger to the community held in detention is changing the threat to those officials running detention facilities. Community detention is unlikely for this population and may complicate final case resolution. Several senior DIBP officials highlighted concerns about dealing with this different population to include greater chances of violence and the need for greater focus on law enforcement and security as opposed to noncompliance with visa conditions and Illegal Maritime Arrivals (IMA) that characterised detention populations in the past, and leaders expressed the view that legislative framework and infrastructure have not been adequately developed to manage this new population.[29]

The detention of two Australian citizens—reminiscent of the Cornelia Rau and Vivian Alvarez Solon cases[30]—serves as a reminder of the need for accuracy and use of proper procedures in exercising coercive powers and handling detention cases. In these recent cases, two men had their visas cancelled under section 501 of the Migration Act and were subsequently detained, after which it was established they held dual citizenship. In describing the failures in these illegal detentions, one senior official was "not surprised" and firmly attributed the problem to a "breakdown in processes."[31] The two individuals have not been publicly identified.

The immediate post-integration period could be best characterised by the development of directives for implementing better policy, particularly in 2016. This trend has continued over this past year. DIBP officers highlighted significant improvements in the decisionmaking process around who goes into what type of detention and in the development of more clear roles and responsibilities in detention operations (including for contract staff). Despite improvements, several officials commented on the slow pace of development and adoption of policies, the need to refine roles and responsibilities, and the importance of better managing interactions and handoffs within the detention system.

A recurring theme surrounding detention concerned the division of roles and authorities within the mission space, with no single organisation or business having

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[29] Interview with senior DIBP official on August 18, 2017, in Belconnen, Australian Capital Territory. (14)

[30] Ben Doherty, "Border Force Illegally Sent Two Australian Citizens to Christmas Island," *The Guardian,* 4 July 2017. As of 7 December 2017: http://www.theguardian.com/australia-news/2017/jul/05/border-force-illegally-sent-two-australian-citizens-to-christmas-island. "In 2001 the department deported an Australian citizen, Vivian Alvarez Solon, to the Philippines, because it wrongly assumed she had been trafficked into Australia as a sex slave. The department realised she was an Australian citizen in 2003, and knew it had unlawfully deported her but did not tell her family, who had reported her as a missing person, until 2005. In 2004 and 2005, an Australian permanent resident, Cornelia Rau, who was suffering an acute mental health episode, was detained for 10 months, including in prison, by the immigration department, because it failed to follow its own procedures for identifying her."

[31] Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (4)

overall responsibility. The ABF runs the facilities, but the administration of detention has been contracted out. Handoffs throughout the system were also identified by several as requiring additional attention. This includes from the initial detention—either at a port or through a non-sanctioned arrival such as on a boat attempting to illegally transit Australian territory—to the intelligence assessment and decisions regarding case resolution. Handoffs cause longer processing times and case resolution timelines.

This lack of clarity complicates achieving a unity of effort in detention policy and operations.[32] Another official went on to say that management issues surrounding detentions should be reconsidered, workflow streamlined, and inefficiencies addressed.[33]

While this is discussed in more detail in a later chapter, some concerns were expressed about the potential for the stature of immigration (and, therefore, detention) activities to be further "diminished"[34] once the mission is embedded within the larger HA as currently planned. The comment was made that immigration risked becoming the "little fish in a much larger pond." This concern reflects the potential for reduced focus on immigration activities and the risk inherent in not paying sufficient attention to detention operations.[35]

Regional authorities expressed similar sentiments regarding accountability in the detention space. Handoffs between the DIBP and the ABF were identified as unnecessarily hindering case resolution and creating inefficiencies. Having a more streamlined process, perhaps putting one entity in charge, could improve accountability. Such a change could require a complementary modification to decisionmaking responsibilities concerning where a person is detained or when they are removed. Concerning the management of the detention mission area, one regional DIBP official added that renewed emphasis must be placed on holding detention service providers accountable.[36]

In developing detention policies and operations, having a shared operating philosophy between the headquarters and regions was identified as being essential yet still lacking more than two years after integration. An example of this disconnect, which had created friction, was in the movement of detainees to different communities, which created hardships on low-risk people held in detention.[37]

Table 3.3 provides an overview of the findings for the pre-integration, post-integration, and reform periods. The pre-integration and post-integration sections have been taken from the earlier report.

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[32] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (5)

[33] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (7)

[34] The term *further diminished* refers to a perception that some former officials have that the integration of Customs and Immigration into the DIBP beginning in July 2015 reduced the role and visibility of the immigration mission.

[35] Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (3)

[36] Telephone interview with senior DIBP regional official on August 24, 2017, Australia. (20)

[37] Telephone interview with senior DIBP regional official on August 24, 2017, Australia. (20)

Table 3.3
Detention Assessment

Pre-Integration (Pre-2015)

- The Alvarez and Rau cases served as major catalysts for self-examination of the detention system.
  - For example, one requirement called for a "compulsory checklist [to] be completed to record the actioning of a removal and that the actioning of a removal be approved by a senior compliance officer—the Officer in Charge of Compliance."
- Some activity to improve detention operations was occurring, but it still lacked the necessary detail to support professional detention operations.
- There was a large backlog of IMA cases.

Post-Integration (2015–2016)

- DIBP has undertaken efforts to build capacity in the planning, programming, requirements generation, and budgeting functions supported through the detention capability report.
- While in early stages, these efforts should improve the department's operational capacity across the DIBP mission space to include within the detention area.
- Progress noted in developing guidance/documentation
  - May 2016 Strategy Handbook, which supports the general push toward building a professional DIBP organisation
  - Documentation on escapees and dealing with child detainees
- Leadership documentation to ensure "Detention Superintendents and Field Compliance Operations Superintendents have the necessary authority and knowledge to fulfil their accountabilities under the Framework"

Reform (2016–2017)

- Detention has seen steady progress, especially given the difficult starting point that was a significant driver in the initial case for change leading to the formation of the integrated DIBP.
  - The recent miscues with the two citizens indicate the importance of continued vigilance in this area.
- The DCR, initiated in 2016, was finalised and accepted with changes currently underway.
- Revised policies have been implemented based on national priorities.
- Increased use of intelligence important to rapidly resolving these cases has been noted.
- Important progress has been made in key policies and the efforts toward closure of facilities.
- Changing demographics of the detention population and officer training deficiencies in areas such as use of force and powers and authorities will need to be addressed.
  - These deficiencies increase danger to the workforce and present issues for case resolution.

Integrity and Corruption

Initial Findings

Integrity and corruption were identified in the initial study as areas where considerable activity was ongoing. Several initiatives were established to highlight the qualities necessary for a professional workforce and were envisioned as a cornerstone of the integration and subsequent reform of the DIBP.

A "Building One Organisation" document as part of the Portfolio Change Management Strategy and Values and Behaviours initiative was developed that included a clear vision and strong language regarding integrity and anti-corruption. The DIBP Integrity Framework included provisions for employment suitability screening and security screening.

One controversial initiative was a new drug and alcohol policy developed in May 2015 that included provisions for mandatory drug screening as a precondition of employment within the DIBP and periodic testing to ensure compliance.

Human capital development programs were designed that included modules on integrity and corruption issues. A leader development roadmap was developed in May 2016, online training in these areas was developed, and periodic "integrity conversations" were incorporated into required engagements with the workforce.

The seriousness and consequences of lapses in integrity and anti-corruption were foundational elements of the integration and reform efforts.

Updates from 2016–2017

Corruption and integrity issues have been a significant challenge and remain one of the highest priorities for the DIBP. Investigations of high-level ABF officers as well as the involvement of lower-level staff have led to large numbers of employee referrals to the ACLEI. These integrity and corruption issues go to the core of the organisation and represent a huge reputational risk for the organisation that, if not mitigated, could undo much of the good work being done elsewhere in the organisation.

Professionalisation of the workforce directly relates to integrity and corruption issues. Activities designed to boost professionalisation—such as the swearing in of ABF officers; standards for appearance, conduct, fitness for duty, and wearing of the uniform; and promoting equality of opportunity for women—translate to a more professional officer with greater respect for the rule of law and the people he or she encounters.[38]

The recent high-profile cases involving senior DIBP and law enforcement officers have certainly heightened sensitivities regarding this issue. In one coalescing incident, eight people were arrested under Operation Astatine, a joint Australian Federal Police and New South Wales (NSW) Police investigation, including several figures from the NSW Jomaa crime syndicate.[39] This incident serves as a reminder for ABF officers (particularly those doing duties in customs) to be vigilant, as they have been targeted by criminal elements. Operation Arête is a recent program designed to reinforce integrity and anti-corruption in the workforce.

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[38] Interview with senior DIBP official on August 25, 2017, in Belconnen, Australian Capital Territory. (23)

[39] Australian Federal Police, *Multi- Agency Operation Destroys Global Criminal Syndicate*, 10 August 2017. As of 7 December 2017: https://www.afp.gov.au/news-media/media-releases/multi-agency-operation-destroys -global-criminal-syndicate

Despite some recent negative incidents in discussing integrity and corruption more broadly, DIBP officials expressed near consensus that important progress had been made. From senior leaders down to individual ABF officers, people understood the need for a professional workforce where integrity and countering corruption are not simply additional duties but, rather, part of the core mission. As evidence of the changes over the past year, several highlighted that drug and alcohol testing, which was just beginning at the time of the previous study, have become routine and are seen as part of being a professional in a government agency. This is supported by positive staff perceptions about departmental integrity in the latest APS Census results.

One senior leader provided an example of the progress, highlighting a recent trip to Adelaide during which the workforce expressed support for the recent arrest of one of their own, stating they were "pleased that the workforce is clean," and that there is "a sense that the DIBP must be different from other public servants" based on the position of trust it holds.[40]

A common point made by many interviewees was the constant vulnerability to integrity and corruption issues faced by those within the DIBP. The issues in the DIBP portfolio can be lucrative targets for criminals. Yet not everyone in the workforce understands this vulnerability, with one senior individual framing the problem as officials being a "bit naïve" with respect to the vulnerabilities.[41] Thus, they highlighted the need for continuous vigilance and constant focus on these issues at all levels of the workforce.

A regional ABF commander—speaking from the operational level—indicated that many of the processes surrounding integrity and corruption issues have been developed and are in use, citing the standardised referral process used to report potential transgressions as an example. While acceptance at these levels appears to have improved, this official still described the workforce view of integrity and corruption as bordering on a "bit of a cultural allergy."[42]

Highlighting integrity and corruption continues to be a priority. A new website for discussing issues is under development. Once completed, it will include cases studies, useful information on recent issues, and updates on the results of investigations.[43]

Greater visibility on these issues is also a priority for leaders. A nearly unanimous criticism expressed was the need for more rapid investigation of suspects, a rapid resolution of cases, and greater public awareness of the results of investigations and outcomes. Such actions would increase transparency and visibility in this critical area and serve as a deterrent for those tempted to violate laws. Furthermore, many stated that such public discussions would also increase public confidence in the DIBP. Publicising

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[40] Interview with senior DIBP official on August 25, 2017, in Belconnen, Australian Capital Territory. (23)

[41] Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (2)

[42] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (5)

[43] Interview with senior DIBP official on August 21, 2017, in Belconnen, Australian Capital Territory. (15)

Table 3.4
Integrity and Corruption Assessment

Pre-Integration (Pre-2015)

- Integrity and anti-corruption were recognised to be foundations for integration and reform—early attention was provided in these areas.

- Strategic Plans that were reviewed (2010–2011 and 2011–2012) consistently highlighted the importance of integrity.

- The ACBPS Review in June 2013 highlighted the broad need for leadership and workforce reform. Specific language included such areas as "leadership behaviours, responsibilities and accountabilities through personal charters."

- Despite growing recognition of the importance of integrity, a major breach was discovered and the report—Operational Heritage Final Report—was published in February 2014.

Post-Integration (2015–2016)

- DIBP released a "Building One Organisation" document as part of the Portfolio Change Management Strategy and Values and Behaviours initiative. It included integrity and anti-corruption language.

- The DIBP Integrity Framework included employment suitability screening and security screening.

- The department developed the new drug and alcohol policy in May 2015.

- The leader development roadmap was developed in May 2016.

- Online ethics and conduct training was developed.

- Integrity conversations were incorporated.

Reform (2016–2017)

- Progress has been made in integrity and anti-corruption; however, this area requires continued emphasis.
  - DIBP personnel are a vulnerable population due to the nature of the work; therefore, vigilance and continuous reinforcement is essential.

- Acceptance of drug and alcohol testing indicates progress.

- Efforts to improve integrity and anti-corruption are directly related to investigations.
  - Under-resourcing of investigations translates to lengthy investigations and not achieving timeliness for investigation and case resolutions.
  - More needs to be done to publicise results of internal investigations (within privacy limits), as this could serve as an important deterrent.

- Operation Arête seems to be gaining acceptance.

such infractions could also serve as an education and training opportunity for the workforce.

A source of some frustration is the lack of feedback to leaders and managers supervising people under suspicion, being investigated, or found to have violated the integrity or corruption regulations, policies, and laws. One expressed "dissatisfaction with how the infraction was communicated to him."[44] Other interviewees expressed similar concerns regarding transparency.

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[44] Interview with senior DIBP official on August 17, 2017, in Civic, Australian Capital Territory. (8)

Some issues were noted about whether expectations for integrity and corruption had been adequately reinforced down to the lowest levels of the DIBP. For example, one senior ABF official indicated that additional efforts to infuse standards of integrity and anti-corruption needed to be pushed to the lowest levels where, in many regards, the temptations are the highest.[45] Such a sentiment reinforces the need for continuous dialogue and attention on these issues.

Table 3.4 provides an overview of the findings for the pre-integration, post-integration, and reform periods. The pre-integration and post-integration sections have been taken from the earlier report.

Learning and Development

Initial Findings

In the initial planning, L&D was identified as a key enabler for integration. Through the L&D programs, basic foundations and knowledge were intended to be infused throughout the new department. The establishment of an ABF College represented a significant investment in human capital and resources.

The Learning and Development ABF College Board, Learning and Development Quality Assurance Procedural Instruction, and ABF College Reform work were intended to provide necessary guidance on learning and development functions. As of the publication of the first report, these initiatives were in the early stages and the RAND team felt they were promising.

Many had recognised the curriculum was not adequate either in terms of types (and variety) of courses offered or the utility of the L&D program over the span of a DIBP official's career. Efforts were underway to address these perceived shortfalls.

Plans were developed to use the L&D capacity to discuss critical areas for human capital development, including values and behaviours that had been catalysts for the integration of Customs and Immigration into the DIBP. Overall, the plans reflected an understanding of the need for incorporating L&D throughout the lifecycle of a person's career, from initial training and education to ongoing continuing education.

In reviewing the plans, RAND had concluded the necessary planning had occurred and programs were being pursued to achieve the aspirational initiatives. In some cases, the programs were assessed to be underway.

Updates from 2016–2017

The programs observed to be in the early stages during the first RAND assessment did not come to fruition. Strong consensus among interviewees is that L&D was an area with great promise that has failed to live up to expectations. One senior official summed

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[45] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (5)

up the progress made over the past year as "remaining challenging."[46] Another commented, "The staff feels let down by the progress in this area."[47] Still another commented, "The grand plans have not delivered."[48]

Complicating this issue, significant confusion exists around the delineation of the roles of the DIBP Learning and Development Branch and the ABF College. Expectations were that the ABF College would be providing instruction for DIBP staff, particularly for cross-training of people to allow greater mobility of the workforce. In describing the state of L&D, one senior official offered, "Vocational specific training needs lots of work."[49] This same individual highlighted that corporate L&D is adequate, but strongly assessed that the ABF College roles must be clarified.

The ABF College is responsible and funded for all non-leadership and non-APS core skills–related training for ABF and certain departmental employees. This includes the college's mandate to deliver, among other things, vocational training to the ABF and training on powers to relevant ABF and departmental officers. The Learning and Development function within the People Division (Corporate L&D) is responsible for leadership and APS core skills training and for coordinating the development and delivery of career streams of all non-ABF training.

A variety of programs are underway in the People Division, several of them unique in the APS, such as assessing and building executive-level leadership capabilities, gaining senior leadership feedback on the expectations and requirements from HR, improving individual feedback, and improving workforce participation in these activities.[50] The Learning and Development Branch within the People Division has played a critical role in supporting this effort through in-depth and generalised leadership and resilience programs and, more recently, a particular focus on performance management and improving individual feedback.[51]

One of the most improved results in the 2017 APS Census over the previous year was in the performance management framework and approach administered by this division and branch. Continued leader engagement at all levels will be imperative for achieving growth in this area. Performance management tools for individual capability assessments for over 2,000 executive-level staff have been incorporated during 2016–2017. The Learning and Development Branch used the results from these assessments to inform deputy-led Talent Management Councils in making leadership train-

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[46] Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (1)

[47] Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (2)

[48] Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (3)

[49] Telephone interview with senior DIBP official on September 5, 2017. (29)

[50] Interview with senior DIBP official on October 19, 2017.

[51] Based on input provided by the People Division on November 6, 2017.

ing needs and investments for executive level staff; this concerted effort to train managers to provide timely and regular performance feedback is showing results.[52]

Despite noted shortfalls, senior DIBP officials have repeatedly highlighted the importance of L&D during their interviews. In one poignant example, an ABF official described a visit to an operational ship in which a junior officer was unable to manage shipboard operations due to a lack of proper training and experience.[53] Such skills are part of an individual's core responsibilities and, therefore, must be mastered, beginning with a firm educational foundation.

Several issues serve to highlight the lack of progress in L&D. The ABF College has not been well integrated into the department's overall training and education other than for the ABF and, to a slightly lesser extent, the new recruits to the DIBP. The existing workforce has benefited marginally at best.

The recognised shortfalls in L&D have led some to develop their own curriculum in key areas such as policy development[54] and even within the regional commands.[55] A senior intelligence official opined that in-house training had been established as the curriculum and educational opportunities offered by the ABF College were not adequate to support development of a career intelligence professional. This official offered that career management should be linked by a "career management map" or plan that describes the training, education, and experiences, along with the institutional resources necessary to develop such an individual. The expectation had been that the ABF College would have an important role in this development.[56]

Expressing an operational and safety concern, one official highlighted that field compliance officers were doing dangerous jobs without proper training and doctrine. The official went on to observe that lack of related (and accredited) curriculum was one of the noted shortfalls.[57]

Several issues have limited the utility of the ABF College. Regarding the existing workforce, resources have not been made available to fund training for non-ABF individuals. In addition, a general feeling expressed was that not all leaders were supportive of their employees' attendance at the ABF College. Two reasons for this lack of enthusiasm were: (1) funding came from the staff sections or regional command and not from a central account, and (2) attendance at the college meant a temporary reduction in the workforce during the period when the individual was in school. Staffing levels

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[52] Based on input provide by the Peoples Division on November 6, 2017.

[53] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (5)

[54] Interview with senior DIBP official on August 22, 2017, in Belconnen, Australian Capital Territory. (16)

[55] Telephone interview with ABF Commander on August 25, 2017, Australia. (25)

[56] Interview with senior DIBP official on August 17, 2017, in Civic, Australian Capital Territory. (8)

[57] Interview with senior DIBP official on August 17, 2017, in Civic, Australian Capital Territory. (9)

and operational tempo in the field locations limited leaders' willingness to release subordinates to attend the ABF College.

In some cases, the ABF College curriculum was not seen as being focused on the highest-priority areas. One senior ABF interviewee lamented that "use of force" training needed to be incorporated into the curriculum.[58] Another commented that the clear priority for the ABF College was "mariners and border force recruits."[59] Still another was concerned about the lack of curriculum for general management and enterprise issues.[60] Such diverse curriculum demands indicate the need for a broad cross-section of learning and associated classes that, to date, is considered an unmet need.

The ABF College teaching methods were also highlighted as requiring attention. The current teaching methods are conducted primarily as classroom instruction with little incorporation of newer instructional methods. Only new recruits go through a mixed or hybrid instruction—using classroom and some distance learning. Technology has not been incorporated into the instruction.

Sentiments are that the ABF College has not transformed. The college still relies on a block training method that does not meet the needs of the organisation or its employees. Use of technology is not adequate and, in many cases, has been limited simply to using technology to automate bad learning environments rather than to incorporate new methods of training, another concerning finding for technology and modern instructional techniques that can improve student experience and enhance the L&D environment.[61]

There is also frustration with the management of the L&D area. One senior official with responsibilities in this space expressed frustration about the direction being taken and, thus, suspended an L&D board that was looking at L&D issues until new terms of reference and fresh ideas were developed.[62]

Furthermore, innovation in the L&D mission area has been generally lacking. Funding for technology and modern instructional techniques that could improve the student experience and enhance the L&D environment has not been provided. Resourcing for L&D has been inadequate to support the attendance at training and educational opportunities. The curriculum is outdated or not relevant to the types of training required by either DIBP or field commanders. These shortfalls in the L&D space have hindered greater progress toward DIBP reform.

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[58] Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (1)

[59] Interview with senior DIBP official on August 15, 2017, in Belconnen, Australian Capital Territory. (2)

[60] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (6)

[61] Interview with senior DIBP official on August 17, 2017, in Belconnen, Australian Capital Territory. (7)

[62] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (4)

Regarding the self-service online training products developed by DIBP corporate, these have been described as "adequate, but not inspiring." The courses have been described as repetitive and not updated from year to year. The primary focus of these courses is providing requisite annual training, on topics such as security.[63]

Several senior regional leaders were highly critical the ABF College. One official commented that the promise of the ABF College picking up the mission for curriculum development and instruction resulted in regional elements being told to halt all internal instruction and allow the ABF College to assume this role. The ABF College has failed to do so, and, therefore, this training and education have fallen back belatedly on the regional elements.[64]

Regional elements also highlighted the failure of the ABF College to deliver on its commitments, which has translated into a lack of operational flexibility. The original intent had been to provide an L&D platform that would support cross-training of former Customs and Immigration officials to facilitate personnel movement across portfolios. This benefit has not materialised, as regional personnel feel they have inadequate access to an ABF College—which is strongly focused on new Border Force Officer Recruit Training (BFORT) trainees.[65]

The overarching assessment of the L&D mission area is that it has not lived up to expectations. Some progress has been made with the development of mandatory corporate leadership and APS core skills training materials through the DIBP Learning and Development Branch and partnering with other law enforcement agencies, such as the AFP, to deliver training. However, the ABF College largely remains a disappointment to senior leaders across the department. Furthermore, the infusion of additional resources and a clear delineation of the roles and responsibilities of the ABF College and the People Division of the DIBP would be helpful.

Table 3.5 provides an overview of the findings for the pre-integration, post-integration, and reform periods. The pre-integration and post-integration sections have been taken from the earlier report.

Other Areas of Interest

During interviews with senior DIBP personnel, several common themes were identified that could benefit from additional elaboration. While each has been discussed previously in relation to other areas, more explanation would provide the needed focus as they, individually, are broad categories of interest to integration and reform. Further examination also provides interesting insights for the upcoming establishment of HA.

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[63] Interview with senior DIBP official on August 21, 2017, in Belconnen, Australian Capital Territory. (15)

[64] Telephone interview with senior DIBP regional official on August 24, 2017, Australia. (19)

[65] Telephone interview with senior DIBP regional official on August 24, 2017, Australia. (20)

Table 3.5
Learning and Development Assessment

Pre-Integration (Pre-2015)

- Shortfalls had been observed throughout the documents, beginning with the earliest findings dealing with the Alvarez and Rau affairs.

- Numerous recommendations and fixes had been identified.

- Little evidence was found that the pre-integration efforts in training, learning, and development had been fully incorporated—issues continued to be observed and there were repeated calls for professionalisation of the workforce and the customs, immigration, and border management organisations.

- Documents from 2014 and 2015, including a Learning and Development Strategic Plan, were incorporated into the post-integration efforts that began in July 2015.

Post-Integration (2015–2016)

- Many changes have been incorporated into the new training, learning, and developmental programs of the newly formed DIBP.

- The extent to which these programs will be successful and lead to greater operational effectiveness and efficiency has yet to be seen. Many of these efforts are in early stages of implementation, and therefore the full impact cannot yet be assessed.

- Efforts have been expanded in this area to be more comprehensive, updated with a variety of topics, incorporating a variety of training, learning, and developmental techniques.

- Several important institutions highlight important changes that hopefully will distinguish these efforts from other pre-integration efforts.

  ○ Establishing the ABF College

  ○ L&D and ABF College Board

  ○ L&D Quality Assurance Procedural Instruction

  ○ L&D and ABF College Reform work

Reform (2016–2017)

- This area has made the least progress and is generally recognised as not living up to expectations—in the case of the ABF College, of "overpromising and underdelivering."

- Significant confusion about organisational responsibilities in L&D and the delineation between the ABF College and the Learning and Development Branch within the department's People Division have been identified.

- Some progress has been made with the development of mandatory corporate leadership and APS core skills training materials through the DIBP Learning and Development Branch and through partnering with other law enforcement agencies such as the AFP to deliver training, but the ABF College largely remains a disappointment to senior leaders across the department and requires concerted focusing.

- Failure of the ABF College to assume the role for curriculum development and instruction for non-ABF core L&D areas as originally envisioned has negatively affected the regions and the workforce.

- Resourcing remains a significant problem.

  ○ Funding for attendance at training is an issue as organisations and areas do not want to fund attendees from internal budgets that are already stressed.

  ○ Curriculum was not adequate for the training that needs to be done.

- Individuals characterised as non-ABF and part of the existing workforce reportedly are disenfranchised by the perceived lack of L&D opportunity.

- Teaching methods and the use of technology have received significant criticism.

- The Administrative Compliance Review identified training as a critical control in most departmental business processes—and one where remediation plans are generally inadequate to achieve an acceptable level of maturity. An organisation-level action plan has been endorsed by the secretary, but follow-through is critical to see improvements in this area.

Policy, Operations, and Intelligence versus Enterprise, Corporate, and Management

Clear differences exist between the progress made in the POI versus the ECM areas. The DIBP integration served to align policy formulation processes, enhance operational effectiveness and efficiency, and develop a DIBP-wide intelligence function. Arguably, resourcing in these areas was adequate for the changes envisioned. Even as resourcing in these areas declined, the new policies and alignments made organisations more effective and, therefore, more efficient. In other words, the DIBP was doing more with less. At the same time, senior leadership was keenly focused on the POI, but the same emphasis and follow-through was not seen in the ECM capabilities.

Regarding the business side of the DIBP, ECM solutions for areas such as common identification cards, establishment of an ABF College, increased personnel and funding for investigations, and creating common ICT platforms all represented new programs and additional costs that had not been adequately considered. Even programs for change management—that is, managing the integration and reform— were largely under-resourced or not in place, which hindered overall progress of the DIBP transformation.

In the competition for funding and leadership attention, these support areas did not receive the same priority. The result has been uneven progress toward achieving the goals set forth in the original integration document going back to the 2013 decision to integrate Customs and Immigration into a single department.

ABF Perceived Disparities

A recurring theme during the interviews was the perceived disparities between the ABF and the rest of the DIBP. Senior leaders have identified this disparity as creating a morale issue.

The ABF is perceived to have greater resources and access to L&D through the ABF College. In terms of resourcing, the ABF has received increased funding. These increases were seen as necessary due to mission growth. Regarding L&D, the ABF does have greater access to the ABF College than the DIBP at large.

Perceptions are that the ABF, despite important issues such as the ANAO review and comments on abuse of powers, has not been subjected to the same level of scrutiny as the rest of the department.

While a broader study effort would be required to fully examine these issues, the perception is there and would benefit from leadership attention.

The Pace of Change

Senior leaders stated that the pace of change had been rapid and led to organisational and, in some cases individual, exhaustion. One stated that the change had been nearly continuous for over a decade, but in the last two years, the pace had been "extraordinary."[66]

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[66] Interview with senior DIBP official on August 16, 2017, in Belconnen, Australian Capital Territory. (3, 4)

Difficulties with general staff morale and high turnover among senior leaders were cited as indications.

Workforce turnover—often with deleterious effects—has been observed. In some cases, the personnel changes have infused new people and enthusiasm into the organisation. In others, the changes have been unnecessary turnover and created a lack of continuity.

Staff Engagement

Lack of staff engagement remains an area of concern that has been identified across multiple APS Census and Pulse surveys. During the interviews, this topic was discussed by numerous individuals.

Uniformly, interviewees understood two-way communication with the workforce was essential to developing high-performing organisations and maintaining morale even in the face of high operational tempo and stressful conditions. Senior leader engagement at all levels serves as a visible reminder to the organisation and workforce of the importance of their sacrifices and contributions.

Conclusions

The pre-integration period highlighted that change was essential to developing the twenty-first-century border management capacities envisioned in the proposed integration and reform. High-profile reputational issues, organisations that demonstrated lack of professionalism, and an anticipated inability to handle the increased workflow across the border were all evident.

The post-integration period beginning 1 July 2015 could best be described as focused activity to build the organisational capacity and professional workforce for a modern twenty-first-century border management organisation. However, shortly after the integration began, a loss of momentum occurred, as implementation planning and metrics were not in use. After approximately six months, the integration was reinvigorated.

Written documents and the interviews clearly demonstrated the need for change within Australia border management. The five areas examined—(1) intelligence, (2) investigations, (3) detention, (4) integrity and corruption, and (5) learning and development—provided ample evidence of shortfalls and issues to be addressed.

The steady progress in several of these five areas during the 2016–2017 period is clear and unequivocal. The data and interviews indicate this progress but also highlight that it has been uneven across the areas.

Figure 3.1 provides a graphic depiction of the overall assessment of the five areas based on a synthesis of information provided, collected, analysed, and discussed in this report. Progress in the five areas has been assessed on the following scale: (1) no reform achieved, (2) limited improvement, (3) making progress, (4) goals achieved, and (5) reform complete.

Figure 3.1
Overall Assessment of the Five Key Areas
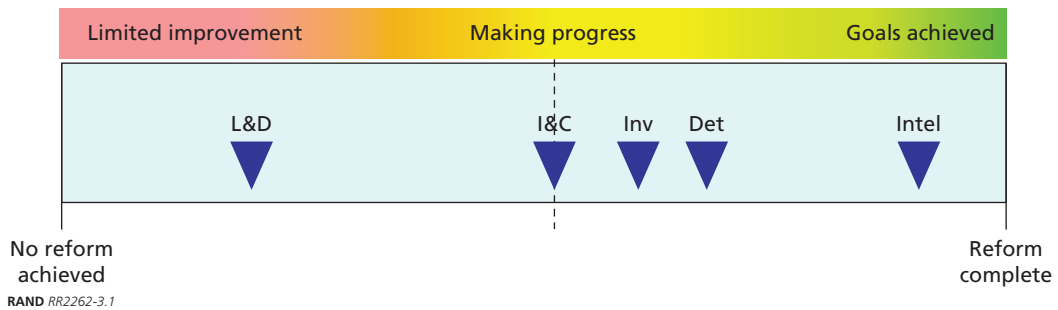
RAND *RR2262-3.1*

Intelligence stands out as having made the most progress toward achieving the goals of integration and reform. The numerous reviews and recommendations provided an important foundation for building an intelligence framework for the department. Some shortfalls have been noted in technical areas, such as continuing to develop the workforce and use of technology, but overall progress has been significant.

Detention has also come a long way, given the difficult starting point. In fact, detention issues were a significant driver for change, leading to the formation of the integrated DIBP. Important progress has been made in key policies and in efforts toward closure of facilities. The recent miscues with the two citizens indicate the importance of continued vigilance in this area. On a positive note, these cases were rapidly resolved. However, the changing demographics of the detention population and officer training deficiencies in areas such as use of force and policing powers and authorities need to be addressed.

Investigations are an improving area from both the perspective of internal (workforce) and external (customs and immigration) investigations, including in cooperating with other law enforcement agencies. However, both are underfunded for their level of activity, which hinders the timeliness of investigations and resolution of cases. Regarding internal investigations, greater visibility of outcomes for the workforce could serve as an important deterrent of corrupt behaviour. Regarding external investigations, greater use of intelligence has been a necessary and important component of success to date and also has led to increased workload.

While progress has been made in integrity and anti-corruption, this area requires continued emphasis. Acceptance of drug and alcohol testing and positive results for agency integrity on the APS Census indicate progress. Operation Arête seems to be gaining acceptance. However, DIBP personnel are a vulnerable population due to the nature of the work; therefore, vigilance and continuous reinforcement are essential.

L&D has made the least progress of the five areas and is recognised as not living up to expectations over the last two years. Some progress has been made with the development of mandatory corporate, leadership, and APS core skills training materials

through the DIBP Learning and Development Branch and through partnering with other law enforcement agencies such as the AFP to deliver training, but the ABF College largely remains a disappointment to senior leaders across the department. Resourcing is a concern. Funding for attendance at training is an issue, and leaders were reluctant to allow individuals to attend courses due to operational tempo concerns. Curriculum was cited as not adequate for actual training needs. For example, the centralised delivery method was cited as not adequate for the training that needs to be done in a geographically diverse network. Lack of incorporation of technology was also identified as a shortfall, as was lack of curriculum diversity. Individuals characterised as non-ABF and part of the existing workforce reportedly are disenfranchised by the perceived lack of L&D opportunity. Furthermore, teaching methods and the use of technology also received significant criticism.

Lessons Learned from DIBP Integration and Reform

Introduction

This chapter provides a synopsis of the lessons learned from the DIBP's integration and reform. It draws from the original findings from the first study, yet it goes further and incorporates the findings from the documents, data, and interviews analysed during the second study focusing on the period 2016–2017.

The overall theme of the lessons learned is that DIBP has continued to perform its missions while increasing the effectiveness and efficiency of the department. Performance has increased while resourcing has declined. However, achievement of the original goals of the integration has been uneven across the department's mission areas.

Across the DIBP—even in areas perceived to have largely met the goals of integration and reform—continuous change management should be undertaken to further improve DIBP's organisational effectiveness and gain further efficiencies.

DIBP Integration and Reform

Terms such as integration, reform, and transformation have been discussed throughout this document. *Integration* refers to the one-year period from 1 July 2015 to 30 June 2016. *Reform* refers to the period following integration and continuing to the present. It reflects a continued effort to improve the organisation. *Transformation* has been used as an umbrella term encompassing both integration and reform. Individually and in combination, they are intended to imply change to large, complex organisations. In this section, the goal has been to capture the lessons learned throughout this transformative process undertaken by the DIBP.

In both RAND studies, numerous lessons learned were identified. They were compiled based on analysis of data and key documents, interviews with senior staff over the course of the two study efforts, and assessments and observations made by the RAND team.

In this chapter, only the most substantial lessons are provided with an eye toward opportunities to continue the DIBP reform and for informing the establishment of

HA. As they reflect consensus-like lessons, references are not provided; rather, the lessons learned reflect the inputs gleaned from multiple sources and reflect strategic thrusts.

The U.S. GAO framework was used to categorise the findings. The five categories in the framework are: (1) operational effectiveness and efficiency, (2) culture and personnel, (3) capability, (4) action plan for integration and reform, and (5) monitoring progress. The order in which the lessons learned appear is not intended to signify relative importance but rather a logical discussion of the issues and the grouping of the lessons in the GAO framework.

Operational Effectiveness and Efficiency
- The integration and reform of the DIBP that has occurred since 2015 has increased the operational capacity of the organisation.
  – However, effectiveness in POI has come at the expense of ECM outcomes. Resourcing is one critical element of this observed disparity; another is leadership focus.
- Achieving clarity of purpose has been important to ensuring positive outcomes in the transformation of the DIBP.
  – Those functional areas, organisations, and staff elements able to achieve clarity of purpose and senior leader focus are now the best positioned to fully achieve the goals established in the original integration mandate. An example is the intelligence reform that began from solid foundations and developed into a highly capable cross-departmental capacity.
- Organisational structure and doctrine must be harmonised during transformation to ensure that key missions are accounted for, properly assigned, and adequately defined and resourced.
  – During integration and reform, some operational elements have been left unattended and, therefore, must be reintegrated into operations. An example of this are the connections with certain international partners that had not fully transitioned between offices. Also, for some areas, new doctrine will need to be developed; for example, if new authorities are provided to the ABF.
- The integration and reform of the intelligence mission area could serve as a model of continued reform of the DIBP that looks toward the establishment of HA.
  – Based on a series of reviews and recommendations, a structured analysis of the intelligence mission area was undertaken that resulted in a comprehensive organisational redesign where form followed function. However, this progress has not been as methodical in other areas.
- A method for continuous assessment and improvement is essential for high-performing organisations.
  – Even in functions than have been assessed to have largely met the goals of integration and reform, a process of continuous improvement must be in place to

ensure that operational and management systems continue to evolve in response to changing and increasingly complex environments, executive and legislative priorities, and the results of numerous reviews and audits. This lesson also implies establishment of monitoring capabilities to assess the health of the organisation over time.

Culture and Personnel
- Leadership engagement with the workforce throughout the transformation is essential to keeping up the momentum.
  - The lead-up to integration saw significant leadership engagement, but immediately after the integration on 1 July 2015, senior DIBP leadership was perceived to have disengaged.
- Perceived winners and losers across the department have been created, which has been unhealthy for the workforce and hindered progress on reform.
  - The ABF is perceived as having benefited most from integration and reform. In contrast, DIBP ECM elements are perceived as being under-resourced and did not receive senior leadership attention.
- Leadership created unrealistic expectations that could not be met and have, therefore, contributed to morale issues within some elements of the DIBP.
  - An example is in L&D, where the existing workforce had an expectation that training and education would be provided for all and would not be focused primarily on the ABF and new recruits.
- Explaining the rationale for key decisions and actions is critically important to the workforce and can even help promote potentially unpopular programs.
  - The drug and alcohol policy regarding initial and periodic testing of the workforce was looked at sceptically, but over time and with continued leadership, it has become accepted.
- Employee performance management plans should be tools to assist in guiding culture.
  - Performance metrics, basic behaviour standards, and department values should be included in performance plans. Additional tools, such as 360-degree evaluations, can serve to provide feedback for leaders.
- Leadership and the workforce have difficulty sustaining their personal momentum.
  - Numerous leaders expressed concerns about the pace and number of reform efforts that have occurred during their time in the DIBP and legacy organisations. With each review, recommendations drove change in organisations. Therefore, some feel as though they have been in a state of constant change (that is, transformation, reform, and integration) for over a decade or more.

Capability

- As part of the initial integration, several roles and missions were not aligned correctly or were omitted in the delegations.
  - Over the last year, attention has turned to identifying these issues and correcting the shortfalls. A related issue concerns horizontal alignment across other government departments and agencies where some of the relationships have not been fully assigned.
- Shared services as a model can have great benefits for operational elements, freeing leaders and managers to focus on core operational functions.
  - Most expressed support for the shared services model. Leaders in operational areas and regional commands were particularly enthusiastic about the use of the shared services model. However, if shared services do not adequately support the operational elements, they serve as a distractor.
- Enterprise areas, such as the corporate functions (for example, financial, payroll, information technology, human resources) and operational support activities (for example, L&D activities) must be adequately resourced for the benefits of the transformation to be realised.
  - Even two years after the integration began, multiple legacy enterprise systems remain in place and no resourcing or plans to replace or integrate them have been established. Furthermore, in discussions with senior leaders, it was not clear if any planning for replacement (or integration) was going to be undertaken.
- Functions could be re-baselined and resource allocations adjusted to ensure that leadership priorities are appropriately reflected.
  - An end-to-end capability development function within the department to maximise the efficient, effective, and professional delivery of capabilities would be helpful for ensuring that strategic priorities are translated into resourcing decisions.
- Personnel turbulence, particularly at senior levels, severely affected progress toward building capabilities to achieve integration and reform.
  - The turbulence caused many positions to be filled with "actings" who were working at a level or two above their actual positions and skill. Many lacked the training, education, or experiences to fulfil these roles, and the organisations suffered.

Action Plan for Integration and Reform

- Form should follow function in any transformational process. As such, goals and objectives for organisations must be translated in policies, programs, and resources that can turn vision into reality.
  - A strong vision statement must be accompanied by objectives, subordinate objectives, programs, and activities to ensure the transformation will progress.

Each must be accompanied by metrics to assess progress toward stated outcomes.

- Documentation for all core functions and associated organisations needs to be in place or developed.
  - As the integration and reform was ongoing, processes, procedures, organisations, and key relationships were not documented. This includes horizontal integration between DIBP elements.
- Where successes in integration and reform have been noted, understanding what contributed to those successes and replicating those efforts would be prudent.
  - For example, understanding what contributed to the positive development of the intelligence mission space should be determined and, where possible, similar techniques should be employed in other areas.

Monitoring Progress
- Monitoring of the transformation progress must be a leadership priority.
  - Leadership engagement must extend into monitoring the change management efforts. If leaders are not engaged, subordinates also will not be engaged. While operational effectiveness and efficiencies are perhaps more publicly visible and seen as part of the core mission, maintaining focus on non-operational details, including transformation progress, is essential. Failure to maintain progress can adversely impact operational mission outcomes.
- The inability to monitor the progress of integration and reform left the leadership blind regarding progress or lack of progress and contributed to a loss of momentum in the early stages of integration.
  - Several months passed after integration began before the leadership became aware of the loss of momentum. Having appropriate feedback mechanisms would have surfaced this issue sooner so corrective action could have been taken.
- Some areas have seen a series of start-and-stop initiatives over the past two years, and therefore have not made as much progress toward integration and reform as originally envisioned.
  - Rather than developing a campaign plan to focus efforts toward goals and objectives in an area, programs were developed and later replaced, as they were not accomplishing intended outcomes.
- A method for monitoring progress of organisational transformations must be embedded as part of the pre-execution planning and utilised to monitor throughout.
  - The strong pre-execution planning prior to integration did not contain adequate metrics (that were defined and measurable and included assumptions and thresholds) for monitoring the post-integration phase; this hindered progress in tracking and managing the transformation. Over the course of the last

year, a Transformation Delivery Framework and Blueprint was established for this purpose.[1]

- Assign an appropriate level leader to be responsible for the transformation.
  - Initially a first assistant secretary (FAS) was charged with change management leadership. Approximately four months after the integration began, a new entity, the Strategic Reform Group—under the direction of a deputy secretary—was established for the express purpose of monitoring reorganisation implementation. Today, this mission has been placed back with an FAS. Both the level and the transition between offices could be problematic, as it requires synchronisation and coordination above the FAS level.

Conclusions

The lessons learned in this chapter demonstrate the progress made and highlight areas where improvements could be introduced. The degree to which the DIBP will be able to achieve the original stated goals of integration will directly relate to the implementation of a continuous change process, including conducting a critical examination of all the core operational and enterprise functions of the department to ensure they are properly aligned.

These lessons could also contribute to the establishment of HA. Using that information could provide a basis for the integration of HA elements, avoiding some of the pitfalls encountered in the DIBP integration.

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[1]   The Transformation Delivery Framework and Blueprint is in the early stages. Staff sections are now just beginning to populate the documents with the necessary detail, and performance data is being collected beginning in the July 2017 time frame. The resourcing of this staff section in terms of personnel and dollars is modest for the missions it is expected to perform.

Lessons Learned from Other Transformation Efforts

Introduction

Managing change is a complex endeavour requiring the full attention of an organisation's leaders, proper plans developed prior to the execution of the change with flexibility to be adjusted as necessary, metrics to measure how the change is proceeding, and acceptance by a broad range of stakeholders within and outside the organisation.

Whether the change involves reforming an existing organisation, development of a new organisation, or integration of multiple existing organisations, some commonalities exist that serve to guide planning efforts and identify potential areas of concern and difficulty that are likely.

This chapter takes an historical perspective regarding change in large, complex organisations. It looks at historical examples and draws on insights and lessons identified from other large organisational adaptations. The intent is to present an overview of the change that occurred and focus on how these insights and lessons could be beneficial in shaping HA establishment.[1] The examples selected include:

- Australia's Department of Defence (2015)
- U.S. DoD (1947 and 1986)
- U.S. DHS (2002)
- U.S. ODNI (2005)
- FRONTEX and the EBCG (2005 and 2015)
- United Kingdom Home Office (2015).

The previous chapter on DIBP lessons learned provided a granular examination of lessons learned. In contrast, this chapter will be deliberately streamlined and will focus on specific insights regarding the changes that occurred in several large, complex organisations resulting from other transformation efforts. Of note, many of these

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[1] ANAO has developed a website that provides information on Australian "Machinery of Government Changes," including lessons learned resulting from these transformations: http://www.anao.gov.au/work/performance-audit/management-machinery-government-changes

organisations have had multiple transformation efforts. For this analysis, specific periods were selected for examination, as the entire histories of these organisations and changes could fill volumes. This review is intended to provide an indication of areas to consider in the establishment of HA, but it is not a definitive analysis of each of these transformations.

Organisations have been selected due to similar missions or magnitude of the changes that occurred. Of note, all organisations considered in this section are governmental; no analysis of large-scale mergers and acquisitions within industry was conducted. In this chapter, a detailed examination of these organisations or development of complete sets of lessons and insights gleaned were considered out of scope.

Organisational change management—which goes by many names, including integration, reform, transformation, and organisational adaption, to name a few—occurs due to a perceived need or a change to the environment. An external stimulus such as the 9/11 terrorist attacks led to the formation of DHS. Sometimes an internal stimulus occurs; for example, leadership changes can cause a re-evaluation of an organisation's performance or missions, as in the case of police reform within the UK Home Office.

In examining these transformations, the U.S. GAO framework was considered in determining the completeness of the change that was undertaken. The five categories (effectiveness and efficiency, culture and personnel, capability, action plan, and monitoring progress) provide a comprehensive approach to assessing change management in large, complex organisations.

Australia's Department of Defence

Australia's One Defence approach was established following an extensive *First Principles Review of Defence*. The accompanying report was released highlighting a comprehensive framework for transformation. The document served to inform multiple stakeholders, from department officials to external stakeholders.[2]

The four key features of the One Defence approach were:

- a stronger and more strategic centre able to provide clear direction and contestability of decisionmaking, along with enhanced organisational control of resources and monitoring of organisational performance

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[2]   Australian Government, *First Principles Review—Creating One Defence*. As of 7 December 2017: www.defence.gov.au/publications/reviews/firstprinciples/Docs/FirstPrinciplesReviewB.pdf

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Box 5.1 Defence's First Principles Recommendations

1. Establish a strong, strategic centre to strengthen accountability and top level decision-making
2. Establish a single end-to-end capability development function within the Department to maximise the efficient, effective and professional delivery of military capability
3. Fully implement an enterprise approach to the delivery of corporate and military enabling services to maximise their effectiveness and efficiency
4. Ensure committed people with the right skills are in appropriate jobs to create the **One Defence** workforce
5. Manage staff resources to deliver optimal use of funds and maximise efficiencies
6. Commence implementation immediately with the changes required to deliver **One Defence** in place within two years

SOURCE: Australia Department of Defence.

- an end-to-end approach for capability development, with capability managers having clear authority and accountability as sponsors for the delivery of capability outcomes to time and budget, supported by an integrated capability delivery function and subject to stronger direction setting and contestability from the centre
- enablers that are integrated and customer-centric with greater use of cross-functional processes, particularly in regional locations
- a planned and professional workforce with a strong performance management culture at its core.[3]

The four key features served to guide a detailed plan that provided six key recommendations and 76 specific recommendations. The specific recommendations identified actions required to achieve the overarching goals and make the One Defence transformation a reality. The specific recommendations also served as the supporting structure for the transformation and essentially resulted in a campaign plan. The first principles are listed in Box 5.1.

As part of the review and subsequent transformation, significant reorganisation was undertaken with the goal of enhanced operational effectiveness and efficiencies. For example, the Defence Material Organisation was disbanded and its functions were reconstituted in a Capability Acquisition and Sustainment Group in the new Department

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[3] Australian Government, *First Principles Review.*

of Defence. More than just a name change, the transformation of the mission area was designed to provide an end-to-end capability development process.[4]

In the same vein, the renaming of the Defence Science and Technology Organisation to Defence Science and Technology Group updates the business model for supporting the department and operating forces with science and technology solutions.[5]

Each of the five areas within the GAO framework was considered. The reform of the Australian Defence Department has parallels with that of the DIBP. The language in developing the case for change, including transformation toward greater effectiveness and efficiencies, is evident. So too are the planned moves toward shared services for enterprise functions.

The language contained in the *First Principles Review of Defence* highlights the important cultural and workforce changes that were planned. Clearly the effort was designed to build capability, with emphasis on enterprise management issues. Regarding the action plan and monitoring progress, the framework for these activities was established.

The more recent 2016 Defence White Paper discusses the progress of the transformation effort. Of the 76 recommendations made, the government has "agreed, or agreed in principle, to 75 of these."[6] As the transformation will be conducted over a 20-year period, through 2035, concentration has been on developing the initiatives that will support the transformation and less on looking at specific lessons learned to date.

The Defense White Paper goes on to describe the transformation progress in the following manner: "Implementing the Government's reforms will ensure Defence will become an integrated organisation driven by a strong strategic centre rather than a federation of separate parts."[7]

U.S. Department of Defense

The Goldwater–Nichols Department of Defense Reorganization Act of 1986 represented the most significant reform of the U.S. Department of Defense (DoD) since its inception forty years prior and was a direct result of perceived operational failures.[8]

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[4]   Department of Defence, Australian Government, "Fact Sheet: Smaller Government: Defence Materiel Organisation: Reintegration into the Department of Defence," May 2015.

[5]   Australian Government Department of Defence, *Stop Press! Name Change,* 31 July 2015. As of 7 December 2017: https://web.archive.org/web/20150919223409/http://www.dsto.defence.gov.au/news/2015/07/31/stop-press-name-change#sthash.OEfKwtiU.dpuf

[6]   Australian Government Department of Defence, *2016 Defence White Paper.* As of 7 December 2017: www.defence.gov.au/whitepaper/docs/2016-defence-white-paper.pdf

[7]   Australian Government Department of Defence, *2016 Defence White Paper.*

[8]   Office of the Secretary of Defense, *Goldwater–Nichols Department of Defense Reorganization Act of 1986,* 1 October 1986. As of 7 December 2017: http://history.defense.gov/Portals/70/Documents/dod_reforms/Goldwater-NicholsDoDReordAct1986.pdf

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Box 5.2. Objectives for the Goldwater-Nichols Act

Congress declared eight purposes for the act, the last having two parts:

- to reorganize DOD and strengthen civilian authority
- to improve the military advice provided to the President, National Security Council, and Secretary of Defense
- to place clear responsibility on the commanders of the unified and specified combatant commands for the accomplishment of missions assigned to those commands
- to ensure that the authority of commanders of unified and specified combatant commands is fully commensurate with the responsibility of those commanders for the accomplishment of missions assigned to those commands
- to increase attention to strategy formulation and contingency planning
- to provide for the more efficient use of defense resources
- to improve joint officer management policies
- otherwise to enhance the effectiveness of military operations and improve DOD management and administration.

SOURCE: James R. Locher III, "Taking Stock of Goldwater-Nichols," *Joint Forces Quarterly,* Autumn 1996, Washington, D.C.

The National Security Act of 1947 established the U.S. DoD. It also established the Central Intelligence Agency, National Security Council, the position of chairman of the Joint Chiefs of Staff, and a Department of the Air Force. This legislation was developed in the aftermath of World War II based on perceived requirements by the United States for a changed role in global affairs. The legislation served as the central organising construct for the U.S. military for a 40-year period.[9]

Following noted operational failures, including the failed 1979 hostage rescue of Americans held in Iran and lack of coordination between U.S. forces during operations in Grenada, a congressional study was undertaken under the framework of the Goldwater-Nichols Act to examine how to better synchronise U.S. military operations. The specific goals of the study are provided in Box 5.2.

Goldwater-Nichols, as it was informally called, established clear goals for improving the operational capacity of the U.S. military, but did little to address the enterprise functions. The single mention of these issues is provided in the final bullet in Box 5.2 regarding improving "DoD management and administration."

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[9]   National Archives Catalog, *Act of July 26, 1947*. July 1947. As of 7 December 2017: https://catalog.archives .gov/id/299856

Later reform efforts, including the 1995 Commission on Roles and Missions of the Armed Forces (CORM) and DoD transformation activities beginning in 1999, have sought to further reform the department and gain greater efficiencies. While the focus of Goldwater-Nichols was predominantly operational forces, these later efforts were intended to include the operational forces and the ECM activities that support the Joint forces.

> The CORM was charged to review the current allocations of roles, missions and functions among the armed forces; evaluate and report on alternative allocations; and make recommendations for changes in current definition and distribution of those roles, missions, and functions.[10]

DoD transformation activities that began in 1999 have continued to advance, change, and adapt the department to the evolving environment of the post–Cold War and post-9/11 world. The department has a centralised transformation program with numerous parts, including enterprise and business, information technology (IT), and innovation. Each service (that is, Army, Navy, Air Force, Marines) also has a transformation office. These transformation efforts seek to gain effectiveness and efficiency in the operational forces and support activities.

The point of recounting these U.S. DoD efforts is to highlight that managing change in large, complex organisations occurs often and is part of the renewal process. It also serves to highlight that change within such organisations requires time and patience.

In looking at the lessons from Goldwater-Nichols 30 years after its inception, a list of key questions borrowing from organisational design theory have been identified. They are provided in Table 5.1.[11]

Of note, the Congressional Research Service questions in this study were based on concerns that, despite large budget expenditures, the DoD had not achieved positive outcomes. Shortfalls included operations in Iraq and Afghanistan over the past 16 years, difficulties maintaining readiness despite $600 billion annual budgets, and difficulties formulating policies and strategies in increasingly dynamic environments.[12]

In comparing the transformation effort using the GAO framework, all five categories were considered. The Goldwater-Nichols reform effort began with an exhaustive

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[10] AUSA's Institute of Land Warfare, *Recommendations From the Commission on Roles and Missions of the Armed Forces: The Era of Jointness.* July 1995. As of 7 December 2017: http://www.ausa.org/sites/defaul/files /DR-95-6-Recommendations-From-the-Commission-on-Roles-and-Missions-of-the-Armed-Forces-The-Era-of -Jointness.pdf

[11] Kathleen J. McInnis, *Goldwater-Nichols at 30: Defense Reform and Issues for Congress.* Congressional Research Service, June 2, 2016.

[12] McInnis, 2016.

Table 5.1
Organisation Design Theory as Applied to U.S. Department of Defense

Design Question	. . . Applied to DOD
The "First Principles" Test. What is the business's value proposition and its sources of competitive advantage?	What are DOD's unique advantages in the advancement of national security, relative to other agencies and departments?
The Market Advantage Test. Which organizational activities directly deliver on that value proposition— and by contrast, which activities can the company afford to perform in a way equivalent to its competition? Does the design direct sufficient management attention to the sources of competitive advantage in each market?	What are the activities DOD engages in that enable it to make its unique contribution to national security? What are the functions or areas in which the department must build and maintain excellence? Are there functions or tasks that are better suited to other USG agencies?
The People Test. Does the design reflect the strengths, weaknesses, and motivations of its people? What kind of leadership and culture are needed to achieve the value proposition? Which organizational practices are required to reinforce organizational intent?	What kinds of behavior ought DOD incentivize to achieve its organizational aims, such as promoting innovation?
The Redundant-Hierarchy Test. Does the design of the organization have too many levels? What, specifically, does each level of the organization add to the accomplishment of core tasks? How do "parent" units enable subordinate teams to accomplish key missions?	What levels might DOD usefully eliminate in order to improve agility and encourage innovation?

SOURCE: Kathleen J. McInnis, *Goldwater-Nichols at 30: Defense Reform and Issues for Congress,* Congressional Research Service, June 2, 2016.

analysis of the operational shortfalls encountered by U.S. military forces. The holistic review translated broadly to changes in virtually all aspects of operational force. Conversion away from the service-centric to a Joint force required fundamental changes to culture and personnel. The result was building a Joint capability across the U.S. military for engaging in military operations. The intensive planning and execution were overseen by the U.S. Congress, which had initiated the change. As with any such change, no endpoint can be identified. Rather, continuous improvements are underway to refine the capabilities of the joint force and respond to the changing security environment.

As with the Australian defence reform, the transformative activities were intended to be conducted over a lengthy period and, in many regards, can be considered part of a continuous reform process to improve operational effectiveness and gain efficiencies.

U.S. Department of Homeland Security

The U.S. DHS was established by the Homeland Security Act of 2002. The 9/11 Commission, which was established following the September 11, 2001, terrorist attacks on

the United States, identified a single cabinet-level department to carry responsibility for security of the homeland. With the acceptance of this recommendation, the third-largest U.S. government department, with over 240,000 people, was established in 2003.

In preparation for the establishment of this new entity, the U.S. GAO conducted a forum to "identify and discuss useful practices and lessons learned from major private- and public-sector organizational mergers, acquisitions, and transformations that federal agencies could implement to successfully transform their cultures and a new Department of Homeland Security."[13] Box 5.3 provides a synopsis of these mergers and the transformation lessons learned.

The continuous journey to build the department and mature its operational and enterprise systems provides evidence of the complexity of building a large organisation from 22 disparate organisations, creating seven operational components under a deliberately weak central staff, and failing to deconflict the roles and authorities of the organisations.[14]

Even today, tensions exist where roles and authorities are unclear and, in some cases, overlapping. As shortfalls have been identified, efforts to rationalise and harmonise the workings of the department have been undertaken. Still, DHS remains a work in progress.[15]

DHS has continued to develop and build institutions during the almost 15 years since it was created. Many of the department's operational and management systems have continued to evolve in response to a changing and increasingly complex environment, executive and legislative priorities, and the results of numerous reviews and audits. Progress continues to be made in maturing the department, its workforce, and the stakeholders it serves.

Numerous pieces of legislation have sought to clarify roles and responsibilities. Many have been developed to address specific operational or enterprise shortfalls that have been identified. For example, in the aftermath of Hurricane Katrina, legislation to address shortfalls was embodied in the Post-Katrina Emergency Reform

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[13] *Highlights of a GAO Forum: Mergers and Transformation—Lessons Learned for a Department of Homeland Security and Other Federal Agencies,* U.S. Government Accountability Office, GAO-03-293SP, November 2002. At http://www.gao.gov/cgi-bin/getrpt?GAO-03-293SP

[14] Many of the elements of DHS were brought from other agencies and had long histories of service. Others, such as the Transportation Security Administration, were developed in response to the events of 9/11. The seven operational components include U.S. Citizenship and Immigration Services (USCIS), U.S. Customs and Border Protection (CBP), U.S. Coast Guard (USCG), Federal Emergency Management Agency (FEMA), U.S. Immigration and Customs Enforcement (ICE), Transportation Security Administration (TSA), and United States Secret Service (USSS).

[15] Daniel M. Gerstein, "Article: Former Top DHS Official Says a New Roles and Missions Commission on DHA Is Urgently Needed Now," *Homeland Security Today*, March 23, 2017. As of 12 December 2017: http://www.hstoday.us/industry-news/general/single-article/exclusive-former-top-dhs-official-says-a-new-roles-and-missions-commission-on-dhs-is-urgently-needed-now/a27b0129b11a29e89aa1d426bc2e1bc7.html

Box 5.3 Mergers and Transformation—Lessons Learned for a Department of Homeland Security and Other Federal Agencies

1. **Ensure top leadership drives the transformation.** Leadership must set the direction, pace, and tone and provide a clear, consistent rationale that brings everyone together behind a single mission.

2. **Establish a coherent mission and integrated strategic goals to guide the transformation.** Together the mission and goals define the culture and serve as a vehicle for employees to unite and rally around.

3. **Focus on a key set of principles and priorities at the outset of the transformation.** A clear set of principles and priorities serve as a framework to help the organisation create a new culture and drive employee behaviors.

4. **Set implementation goals and a timeline to build momentum and show progress from day one.** Goals and a timeline are essential because the transformation could take years to complete.

5. **Dedicate an implementation team to manage the transformation process.** A strong and stable team is important to ensure that the transformation receives the needed attention to be sustained and successful.

6. **Use the performance management system to define responsibility and assure accountability for change.** A "line of sight" shows how team, unit, and individual performance can contribute to overall organizational results.

7. **Establish a communication strategy to create shared expectations and report related progress.** The strategy must reach out to employees, customers, and stakeholders and engage them in a two-way exchange.

8. **Involve employees to obtain their ideas and gain their ownership for the transformation.** Employee involvement strengthens the process and allows them to share their experiences and shape policies.

9. **Build a world-class organization.** Building on a vision of improved performance, the organization adopts the most efficient, effective, and economical personnel, system, and process changes and continually seeks to implement best practices.

SOURCE: *Highlights of a GAO Forum: Mergers and Transformation—Lessons Learned for a Department of Homeland Security and Other Federal Agencies,* U.S. Government Accountability Office (GAO-03-293SP), November 2002: http://www.gao.gov/cgi-bin/getrpt?GAO-03-293SP

Table 5.2
Assessment of DHS Progress in Addressing the Strengthening DHS Management Functions High-Risk Area, as of March 2016

Criterion for removal from high-risk list	Met	Partially met	Not met
Leadership commitment	X		
Action plan	X		
Capacity		X	
Monitoring	X		
Demonstrated progress		X	
Total	**3**	**2**	**0**

SOURCE: GAO, *Department of Homeland Security: Progress Made, but Work Remains in Strengthening Acquisition and Other Management Functions,* 16 March 2016.

Act of 2006.[16] While the legislation addressed certain operational shortfalls, particularly with respect to how FEMA functions, it did little to clarify other key areas, such as the DHS role in biological defence and response to emerging infectious disease.

Several related points underpin these lessons. First is the requirement to have a keen understanding of the mission requirements for the new organisation. What is the organisation intended to do and what resources will be available to accomplish assigned missions? Second is the importance of the human dimensions of managing change. This entails involving all levels of the organisation, from the most senior leaders to the lowest levels of the organisation. It also speaks to the importance of communicating key messages throughout the organisation and gaining buy-in for change. Third is having the necessary control mechanisms in place to launch the transformation, monitor its progress, and make changes as necessary to ensure that momentum toward achieving the organisation's vision does not falter.

Despite having the framework outlined in Box 5.3 as a guide for the development of DHS, reform, integration, and transformation efforts continue, and challenges are evident. For example, in the GAO's 2016 report, which was the basis for the framework being used to look at the DIBP integration and reform, the findings were that DHS management functions met goals in three areas and partially met goals in the other two areas. Table 5.2 provides a synopsis of the findings.[17]

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[16] FEMA, *Post-Katrina Emergency Management Reform Act.* As of 7 December 2017: https://emilms.fema.gov/is230c/fem0101200

[17] U.S. Government Accountability Office, *Department of Homeland Security: Progress Made, but Work Remains in Strengthening Acquisition and Other Management Functions,* 16 March 2016. As of 7 December 2017: http://www.gao.gov/products/GAO-16-507T

The GAO's *2017 High Risk Report*[18] identified four areas in DHS enterprise management with significant shortfalls: acquisitions, human capital, financial management, and IT.

Operational issues have also been identified as needing improvement. The previous secretary, Jeh Johnson, established a Unity of Effort program designed to build the department's operational capacity. Three joint task forces (JTFs) to better coordinate operations in the field were established: one at the southwest border between the United States and Mexico, one at the southeast border and maritime approaches, and one for investigations.

DHS reform of its operational and enterprise capabilities continues with the goal of improving operational capacity, increasing efficiencies, supporting stakeholders, and growing and professionalising the workforce.

When DHS was established in response to the 9/11 attacks, operational imperatives and rapid response dictated that many of the systems for command and control were not well defined. The goal was to continue maturing the department and its operating components over time. This process has continued since its inception in 2003.

Through this continuous transformation process, and as the 2016 GAO report indicates, each of the five categories has been considered in this transformation. Over time, DHS has developed or is developing the systems and capacities necessary to mature the department.

U.S. Office of the Director of National Intelligence

The Intelligence Reform and Terrorism Prevention Act of 2004 was the most significant legislation affecting the U.S. intelligence community since the National Security Act of 1947 and created the Office of the Director of National Intelligence (ODNI) in 2005.[19]

The overarching goal of the reform effort was to promote closer cooperation among the U.S. Intelligence Community's (IC) sixteen agencies, spread throughout the federal government. The formation of the organisation was directly related to the terrorist attacks of 9/11 and the determination that the loose confederation of intelligence organisations had been unable to "connect the dots."[20]

The core element of the legislation and subsequent reform was the establishment of the position of Director of National Intelligence (DNI). The DNI had responsibility

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[18] GAO, *Department of Homeland Security: Important Progress Made, but More Work Remains to Strengthen Acquisition Management Functions,* 16 February 2017. As of 17 January 2018: https://www.gao.gov/products/GAO-17-409T

[19] Richard A. Best, Jr., *Intelligence Reform After Five Years: The Role of the Director of National Intelligence (DNI),* Congressional Research Service, Washington, D.C., June 22, 2010.

[20] The National Commission on Terrorist Attacks upon the United States, *The 9/11 Commission Report.* As of 7 December 2017: http://govinfo.library.unt.edu/911/report/911Report.pdf

Table 5.3
Positive and Negative Views of ODNI

Positive Assessment	Negative Assessment
• "IC is transforming from a confederation of feudal baronies into networks of analysts, collectors and other skilled professionals who increasingly think of themselves as members of an integrated enterprise with a common purpose"[a]	• Concerns that President's Intelligence Advisory Board (PIAB) found ambiguities in the Intelligence Reform Act and different approaches by the three [former] DNIs have "fueled 'turf wars' that waste valuable time, expertise and energy, which should be directed toward meeting critical national security challenges."
• Progress breaking down the information-sharing, technical, and cultural barriers across the IC	• Has not solved the issue of failing to disseminate and effectively analyse available information
• Joint duty program that requires service in a position that qualifies as joint duty and the introduction of collaborative tools	• Some have identified that some subordinate elements are not "adequately organised and did not have resources appropriately allocated to fulfill its missions"
• President's daily briefing now incorporates analysis from across the IC and has more rigorous analytical standards	• Others have indicated that the Intelligence Reform Act has not gone far enough in reforming the IC and that "recalcitrant elements in the ODNI have hindered progress"
• Manages the National Intelligence Program (budget)	
• Establishes IC priorities with clear and measurable goals and objectives	
• Sets direction through policies and budgets	
• Ensures coordination of integration of IC personnel, expertise, and capabilities	
• Provides leadership on IC cross-cutting issues	
• Starting to build a more cohesive IC culture	

SOURCE: Richard A. Best, Jr., *Intelligence Reform After Five Years: The Role of the Director of National Intelligence (DNI),* Congressional Research Service, Washington, D.C., June 22, 2010.

[a] Thomas Fingar and Mary Margaret Graham, "Getting Smarter on Intelligence," *Washington Post*, April 30, 2010, p. A19. Fingar was the first deputy DNI for analysis; Graham was the first deputy DNI for collection.

for coordinating cross-departmental-level intelligence, providing the president's daily briefing, managing budgets, and coordinating intelligence resources.

While much focus is on the coordination role of the DNI, the reform mandate is far broader. The ODNI website provides the following mission statement: "Our mission is to lead intelligence integration and forge an intelligence community that delivers the most insightful intelligence possible."[21] Implied in this mission are the organisational and functional reforms, personnel and culture development, and accountability and efficiencies.

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[21] Office of the Director of National Intelligence main website. As of 7 December 2017: http://www.dni.gov /index.php

The formation of the DNI and its perceived successes and failures continue to elicit strong sentiments from proponents and detractors. A synopsis of these views is provided in Table 5.3.[22]

Understanding the costs and benefits of a reform across a functional area—in this case intelligence—has interesting potential parallels in considering the same kinds of integration in areas such as intelligence and investigations in the merging of organisations as part of the formation of a Department of Home Affairs. In these early stages, questions surrounding whether to do a centralised, shared services model in these areas will undoubtedly need to be considered.

Many details of the ODNI reform remain classified; however, open source material indicates that the GAO's five elements were largely considered. This is seen clearly in the assessments contained in Table 5.3.

FRONTEX and the New European Border and Coast Guard Agency

The European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX) was established in 2005 as the European Union grew from 15 to 25 nations. With that growth, the EU encompassed 4.3 million square kilometres, 504 million people, 7 per cent of the world's population, and 20 per cent of global gross domestic product.

FRONTEX was created to increase cooperation in the management of external borders. An important goal was to ensure a "high and uniform level of control of persons and surveillance at the external borders."[23] To achieve this goal, FRONTEX supported security at borders and facilitated legitimate flows of people, goods, and services. Its primary mechanism was to support coordination on border management efforts.

The EU has seen and continues to see increased migration, both legal and illegal, and a related increase in workload for its border management systems. The range of threats is significant but similar to other border management operations and activities. The overall growth of FRONTEX from 2006 to 2013 is provided in Table 5.4.

The recent immigration crisis, with a significant increase in illegal immigration from northern Africa and south Asia, had led to increased calls for a new European Border and Coast Guard Agency (EBCG). In December 2015, the European Commission adopted a proposal for a regulation to establish the EBCG.

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[22] Office of the Director of National Intelligence main website.

[23] Sarah Leonard, "The Creation of FRONTEX and the Politics of Institutionalisation in the EU External Borders Policy," *Journal of Contemporary European Research*, Vol. 5, No. 3, 2009, p. 373. As of 7 December 2017: http://www.jcer.net/index.php/jcer/article/view/239/164www.jcer.net/index.php/jcer/article/view/239/164

Table 5.4
FRONTEX Growth

2006	Growth	2013
210	Operational Days	1,688
1,012	Training Days	12,457
19 million Euros	Annual Budget	94 million Euros
300	Staff	30

SOURCE: "12 Seconds to Decide," undated, accessed on 7 December 2017. http://frontex.europa.eu/assets/Publications/General/12_seconds_to_decide.pdf, p. 30.

The EBCG would be "designed to ensure shared European management of the external borders of the European Union." The EBCG would have increased powers and would share powers with national border security entities. The EBCG would be better trained and equipped to deal with the increased workload and changing populations attempting to cross European borders.[24] Key elements of the EBCG are listed in Box 5.4.

While national authorities would continue to have primary responsibility for national borders, the increased powers of the EBCG would include establishment of a monitoring and risk analysis centre and a European Return Office. Originally, the EBCG was to have the right to intervene. However, member nations expressed concerns and that language was removed from the draft provisions.

The monitoring and risk analysis centre would carry out risk assessments and interface with national authorities. The risk assessments could be used in allocating resources. The European Return Office would have responsibility for assisting in the return of illegal third-country nationals. The office would provide escorts, monitors, and return specialists to assist in these duties.

Despite the concerns that member nations have regarding border management, they decided against a more centralised structure with provisions such as the right to intervene. The provision was seen to be an "unrealistic idea that drew objections from frontline states because it was seen as a violation of sovereignty."[25]

Of note, the move from FRONTEX to the EBCG can be directly correlated with the difficulties EU nations encountered in managing illegal immigration activities over the previous several years. While the EBCG would represent a more muscular approach

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[24] Theresa Papademetriou, *European Union: Proposals to Establish a New Eur o pean Border and Coast Guard,* 18 December 2015. As of 7 December 2017: http://www.loc.gov/law/foreign-news/article/european-union -proposals-to-establish-a-new-european-border-and-coast-guard

[25] Angeliki Dimitriadi, *The European Border Guard: New in Name Only,* 2 June 2015. As of 7 December 2017: http://www.ecfr.eu/article/commentary_the_european_border_guard_new_in_name_only_7035

Box 5.4 Key Elements of the EBCG

Vulnerability assessments: The new agency will perform assessments at the external borders, identifying deficiencies in the ability of member states to manage their borders, and proposing solutions.

Rapid reserve pool: The agency will be able to draw on a pool of 1,500 officers who can be deployed within three days. They will form a rapid reaction force to be sent to borders that are under acute pressure.

Returns: The agency will take on a bigger role in migrant reception hotspots. Beyond its current role of registering migrants and screening to establish their nationalities, it will be responsible for returning those who do not qualify for asylum.

Cooperation with non-EU countries: The agency will have a greater role in coordinating cooperation on border management between member states and non-EU countries.

Equipment: The agency will be able to acquire its own technical equipment, to be co-owned with member states.

Hybrid threats: The new agency will increasingly be involved in tackling hybrid threats—attacks that use a mixture of tactics to hide the source of the threat and create confusion in its target, including methods such as non-conventional warfare, disinformation and cyber-attacks.

No right to intervene: A proposal to give the agency the right to intervene without an invitation from the member state in question has been removed from the Council draft.

SOURCE: Angeliki Dimitriadi, *The European Border Guard: New in Name Only?* 2 June 2016, www.ecfr.eu/article/commentary_the_european_border_guard_new_in_name_only_7035

with strong authorities for border management and related activities, it falls short of being a centralised authority with the powers to direct and control border management activities.

The development and structure of FRONTEX and the EBCG implies several of the elements of the GAO framework have been introduced, including effectiveness and efficiency and culture and personnel. Indications are that action plans and monitoring progress are being considered, but are seen more as national requirements and far less central to achieving the goals of the organisation. Therefore, while planning and

monitoring have clearly occurred for FRONTEX and are occurring for EBCG, these efforts should be expected to be less detailed, with more focus on national implementation efforts.

United Kingdom Home Office

The UK Home Office has a long history, dating back over 235 years ago to 1782. The Home Office in the UK is essentially responsible for all things related to domestic affairs, with a broad portfolio that encompasses a wide range of activities from security and policing to human trafficking and preventing child sexual abuse.

The objectives of the Home Office, as highlighted in the *Single Departmental Plan 2015 to 2020*, are to (1) prevent terrorism, (2) cut crime, (3) control immigration, (4) promote growth, and (5) delivering efficiently: transforming the Home Office.[26]

Throughout its long history, evidence of periodic reforms and adaptations can be seen. Several of the more recent reforms have interesting parallels to the DIBP transformation that continues to progress. In a speech delivered in November 2015, then Home Office Secretary Right Honourable Theresa May, MP, discussed the reform of the Home Office. Much of the case for reform and the associated principles came from the 2010 police reform. In describing the pre-reform situation May observed:

> From ICT to procurement and specialist units, 43 forces were doing everything separately, spending £1 billion every year on 4,000 people operating 2,000 separate ICT systems, and buying everything from police uniforms to batons 43 times and at varying prices. And because reform to police pay, terms and conditions had been resisted by the Police Federation, officers were rewarded for time served, not skills gained or outcomes achieved.[27]

The speech went on to discuss the need for "methodical, yet radical, reform," changing cultures, sweeping away "outdated and inadequate institutions," improving productivity while cutting crime, "giving back officers their professional discretion," and improving the systems of policing.[28]

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[26] GOV.UK, *Single Departmental Plan 2015 to 2020,* 19 February 2016. As of 7 December 2017: http://www.gov.uk/government/publications/home-office-single-departmental-plan-2015-to-2020/single-depart mental-plan-2015-to-2020

[27] Reform.UK, *Reforming the Home Office: A Modern Vision for a Great Department of State— Video and Speech Transcript.* As of 7 December 2017: http://www.reform.uk/publication/reforming-the-home-office-a-modern-vision-for-a-great-department-of-state-speech-transcript

[28] GOV.UK, *Single Departmental Plan 2015 to 2020.*

In turning toward the reform of the Home Office, May identified five principles that should guide the reform:

> The right institutions and structures. Accountable governance. High productivity. Efficient systems that serve those operating them, rather than the other way round. And a culture that embraces change and is open to new ideas and people.[29]

While Secretary May is now the prime minister, the transformation of the Home Office continues. In considering this transformation, the Home Office website addresses what is being done and how the Home Office is collaborating toward meeting the goals of the transformation. Table 5.5 describes the UK's Home Office transformation program.

In examining the UK's reform of the Home Office, two overarching goals are driving the transformation: increasing operational effectiveness and gaining efficiencies. Table 5.5 largely contains the "how" or the means to be employed in working toward UK Home Office reform.

The reforms of the UK Home Office highlight the degree to which each of the five elements of the GAO framework have been considered. The high-level statements imply emphasis on effectiveness and efficiency, culture and personnel, and building capacity elements. Home Office's approach to its current transformation implies development of detailed planning and execution, including tracking progress toward the stated goals.

Conclusions

This chapter has considered other large, complex organisations that have undergone significant change management activities. The goal was to identify insights, challenges, and opportunities that could be useful in continuing the reform ongoing in the DIBP and would be required for establishment of HA.

The U.S. GAO framework was used to compare the transformations and highlight important attributes of each. Table 5.6 provides an overview of this crosswalk.

While the various rationales (the impetus for change) for the case studies and degree of preparation for the transformations differed initially, each transformation eventually came to consider the basic elements from the GAO analysis. However, the degree to which the GAO framework elements were employed and the timing for their employment vary greatly across the six transformations. Some, such as Australia's Defence reform, began with a methodical development of the goals, objectives, and programs. The same can be said about the U.S. Goldwater-Nichols Reform Act and the transformations in the United States following the 9/11 attacks.

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[29] GOV.UK, *Single Departmental Plan 2015 to 2020.*

Table 5.5
UK Home Office Transformation

Delivering Efficiently: Transforming the Home Office

What the Home Office is doing

The department is committed to reducing its operating costs over the Parliament, while continuing to improve the efficiency and effectiveness of its services, including through:

- increased use of automated data analytics to better identify risks, allowing resources to be targeted to achieve the same or better outcomes at lower cost

- technology that will allow many administrative tasks currently undertaken manually to be automated, freeing staff to focus their efforts on tasks that need human skills, thus increasing productivity and improving assurance levels

- reviewing how costs are allocated so that those who create demand bear the responsibility for a greater proportion of its funding

- rolling out new, user-friendly digital interfaces and channels for customers, together with the standardisation and automation of business processes, to improve the efficiency of services and provide customers easy access through modern digital channels

- participating in the government's shared services strategy, which involves working with Cabinet Office and other government departments to develop a wider range of tools and services to support more efficient departmental operations—this includes the Single Operating Platform for enhanced human resources and finance capabilities at a reduced cost, and a shared business intelligence service to maintain and improve upon the quality of management information

- reducing losses through fraud and error alongside developing a debt management strategy.

How the Home Office is working collaboratively across government

The Home Office is working collaboratively with Cabinet Office, HM Treasury, and other government departments to deliver transformational change in key areas, including:

- enabling fire and police services to work more closely together, including the recent consultation on Emergency Services Collaboration; the joining up of fire and police governance within central government provides the opportunity to drive greater collaboration and more efficient and effective emergency services

- developing digital solutions that meet common standards set by the Government Digital Service and using cross-government platforms such as GOV.UK Verify, GOV.UK Pay, and GOV.UK Notify as part of departmental digital services wherever this demonstrates the best value money solution for government

- rationalising our estate in a joined-up way, looking to develop "government hubs" with other government departments, releasing land for housing where possible, and participating in the development of the new commercial property model

- delivering savings in commercial relationships, including through spending on common goods and services, delivered in partnership with the Crown Commercial Service

- continuing to build the department's commercial capability and working with the Crown Commercial Service to deliver the government's 33 per cent commitment of spending with SMEs by 2020

- working in partnership with the Cabinet Office to deliver Arms Length Bodies' transformation plans, and the Infrastructure and Projects Authority on major projects and programs and prioritisation.

SOURCE: UK Home Office website. Accessed 7 December 2017, http:// www.gov.uk/government/ publications/home-office-single-departmental-plan-2015-to-2020/single-departmental-plan-2015 -to-2020

Table 5.6
Case Study Comparison to U.S. GAO Framework

Organisation	Australia's Department of Defence	U.S. DoD	U.S. DHS	U.S. Office of the DNI	FRONTEX and EBCG	United Kingdom Home Office
The Case for Change	Streamline acquisition and capability development; bring forward contestability	Key operational failures (1979 hostage crisis and Grenada)	9/11 terrorist attacks	9/11 terrorist attacks	Growth of the European Union (FRONTEX) and migration crisis (EBCG)	Part of continuous reform process and perceived need to transform enterprise
Effectiveness and Efficiency	X	X	X	X	X	X
Cultural and Personnel	X	X	X	X	X	X
Building Capability	X	X	X	X	X	X
Action Plan	X	X	X	X	X	X
Monitoring Progress	X	X	X	X	X	X

SOURCE: National Commission on Terrorist Attacks upon the United States, *The 9-11 Commission Report.* As of 7 December 2017: https://9-11commission.gov/report

For example, in the case of the U.S. DHS, the 9/11 Commission Report[30] served as the original framework for the establishment of DHS. Over the past 15 years, DHS has been audited and reviewed hundreds of times across its many institutions for progress made toward building lasting institutions.

For the EBCG transformation, the goals of the organisation and member nations mandates a looser, decentralised affiliation, with nations retaining their own roles and authorities rather than a centralised command and control structure. For this reason, less emphasis on action plans and monitoring of progress is visible.

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[30] National Commission on Terrorist Attacks upon the United States, *The 9-11 Commission Report.* As of 7 December 2017: https://9-11commission.gov/report/

Looking Toward the Future

Introduction

This chapter looks to the future for both the DIBP and the new Department of HA. In the case of the DIBP mission area,[1] the focus should be on continuing the transformation that is ongoing toward a professional twenty-first-century border management capability. Regarding HA, the focus should be on priorities for the establishment of the new department.

These findings have been derived from the review of documents, content from interviews with senior leaders from across the DIBP and external stakeholders, and RAND assessments.

Overarching themes developed in this chapter are:

- The integration and reform were necessary and have resulted in a DIBP that is stronger and better positioned to meet the needs of Australia.
- The timelines for change in the integration of the DIBP were overly aggressive and the speed of transition hindered taking a more measured view of the roles, missions, and functions of the elements of the newly formed department.
- Excessive personnel turbulence, particularly at the senior levels, hindered progress toward integration and the follow-on reform.
- Pre-execution planning, development of metrics for assessing progress, and periodic assessments are essential to developing and maintaining momentum.

Considerations for Further Development of the Customs, Immigration, and Border Protection Mission Space

Progress toward the objectives specified in the original 2013 legislation and 2014 integration documentation continues. Many of those interviewed agreed that integration

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[1] The term *DIBP mission area* was used in the formation of an HA. The DIBP and ABF relationship would likely change. The customs, immigration, and border management missions would likely remain.

and reform of the DIBP was essential to building a twenty-first-century border management capability for the people of Australia. Furthermore, there was consensus that the reforms underway must continue.

All areas considered in this study required further reform for the stated goals to be achieved. However, in some areas, such as intelligence, reform should be considered part of continuous improvement toward building a professional border management capability. In fact, a feature of high-performing organisations (and the people in them) is that change is constant, either in response to changes in the environment; the accrual of new missions; or assessments, reviews, and audits that identify areas for improvement. Over time, though, the magnitude of the changes required will be smaller, the systems fully functional, and the organisation and workforce will have greater predictability in the execution of their assigned missions.[2]

A common refrain was to ensure no loss of momentum in the push toward reform of the DIBP and continued emphasis on those areas that require additional integration and reform. Senior leaders and external stakeholders have recognised the strides made in the DIBP through the integration and reform of the customs and immigration missions. Increased operational capacity has been a recognised output of the transformation. In short, POI have been improved and continue to make progress. On the other hand, ECM functions continue to lag and draw away from or delay achievement of full integration of the organisation.

Development of strategies with objectives, subordinate objectives, programs, and activities with associated metrics for assessing performance must continue as the DIBP works toward achieving the vision for the organisation. This was an issue in the post-integration period and resulted in a loss of momentum. Today, it hinders the DIBP from assessing progress on its path forward for developing the twenty-first-century border management capacity for Australia.

Personnel issues continue to serve as unnecessary sources of friction. Senior personnel turnover—some referred to it as executive churn—was highlighted many times during interviews and cited as hindering progress toward achieving the goals of integration and reform. Some personnel issues, such as preserving the disparity in entitlements, are structural shortfalls that need to be addressed for the DIBP and certainly in looking toward the establishment of HA. Other concerns, such as the morale issues (and in some cases, even exhaustion of the workforce), have several contributing factors, including pace of change, lack of ECM resourcing and support, and lack of key competencies in the workforce, particularly in strategic management areas. One important negative outgrowth of this personnel churn was the inability to work together as a team, as senior leaders were unable to form lasting professional working relationships.

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2   Steven F. Dichter, Chris Gagnon, and Ashok Alexander, *Leading Organizational Transformations*, February 1993. As of 7 December 2017: http://www.mckinsey.com/business-functions/organization/our-insights/leading-organizational-transformations

Developing the conditions for the machinery of government for the residual DIBP elements (and looking to the formation of HA) will require continued emphasis on developing workforce competencies in key areas. Building a cohesive and stable senior leadership team and developing the next generation will require a concerted effort.

Considerations for Creation of the Department of Home Affairs

Overall, DIBP senior officials were extremely positive about the upcoming change, saying that the DIBP integration and reform had demonstrated that benefits could be accrued through such a transformation.

However, many expressed caution about the absorption capacity and pace of change as integration and reform continues in the DIBP, even after two years. Senior officials were less concerned about the operational areas (POI) than the enterprise (ECM) issues and the need to address any gaps or difference in pace as HA stand-up commences. This concern emanates from the experiences in the enterprise areas, where transformation has been slow and uneven and remains a work in progress.

HA establishment will require significant deconfliction between the agencies being integrated. Determining design models—centralised versus decentralised, shared services for key functions, or a more limited hub and spoke for key support functions such as intelligence—will present challenges. To alleviate some of these issues, establishment of principles could be beneficial. Such an effort would include consultations with internal assets identified to become part of HA, other government and international stakeholders that currently interface with future HA elements, and interested external parties.

Another major concern expressed by senior officials related to the aggressive timelines. The DIBP integration had foundations going back to 2013 with the legislative mandate, planning in 2014, with integration commencing on 1 July 2015. The HA decision was announced in August 2017 and the department was established in December 2017, and comparatively little information on the organisations and structure has been made available to date.

A major theme from interviews conducted with regional DIBP and ABF commanders was the need for staff engagement and communication, to have all the necessary elements involved in all aspects of the planning and execution of the establishment of HA. Having a Canberra-centric focus often was seen as developing solutions that were problematic in the regions and for which workarounds were eventually required.

As with all organisational adaptations, the manner in which they are planned and executed can be important determinant factors in the acceptability of the change to the workforce and stakeholders that have direct roles or interests in the transformations. The key themes developed in this chapter have been developed with an eye toward building successful organisations.

Potential Priorities for Establishment of HA

One of the questions asked of senior staff during the interviews concerned potential priorities to consider in the establishment of HA. This section provides a synopsis of these thoughts. Some overarching observations have been provided, followed by the more detailed potential priorities.

Some uncertainty surrounds the establishment of HA. While the organisation has been stood up, many of the details have yet to be released. At the time of this report, the rationale is understood only in general terms but lacks necessary specifics. This will be important to gaining workforce support for the new department.

The DIBP will form the base of HA, and the ABF, AFP, Australian Security Intelligence Organisation (ASIO), Australian Transaction Reports and Analysis Centre (AUSTRAC) will be part of the portfolio. In a statement to the Legal and Constitutional Affairs Legislation Committee estimates hearing on 23 October 2017, the secretary designee described the new department's role as follows:

> The core functions of the Department will indeed be policy, strategy and planning in relation to domestic security, law enforcement, counter terrorism, the protection of our sovereignty and the resilience of our national infrastructure and systems. The Department will also lead the coordination across relevant agencies of the execution of applicable national strategies; and the assessment of capability development requirements and associated resourcing strategies.[3]

The degree to which ECM functions will be brought up to HA-level as shared services has not been fully determined. As soon as these decisions are made, releasing them (especially to the senior staff) will be important for building the new team.

The timelines for the establishment of HA are also very tight. Using the DIBP integration as a model, there were almost two years—from 2013 to 2015—to make the case for change, build an integration plan, and begin the transformation. Even with this amount of time, integration struggled across some of the mission areas. In the case of HA, the entire process is planned to take place in under a year.

The GAO framework employed previously provided a structure for the categorisation of possible future HA priorities. As expected, the lessons learned from the preceding section provide foreshadowing of the identified priorities for establishment of HA.

Operational Effectiveness and Efficiency

- Achieving clarity of purpose must be a core component of the establishment of the new HA.
- Roles and responsibilities will need to be assigned early in the process. This includes early articulation of the type of command and control and coordination

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3   Michael Pezzullo, Department of Immigration and Border Protection, Statement to the Legal and Constitutional Affairs Legislation Committee Estimates Hearing, Monday, 23 October 2017.

structures to be employed (for example, a centralised structure or a confederation of related subordinate organisations).

- Policies and guidance for the new department will need to be aligned early in the integration to ensure no operational pauses.
- To gain operational effectiveness, stressing the need for horizontal integration of functions and enhanced communications between major organisations will be key.
- Mission areas will need to be harmonised. For example, intelligence capabilities exist in the ABF, AFP, and ASIO. Therefore, if a single intelligence function is envisioned for HA, significant coordination will be required. The same is true for investigations where each agency currently has investigative capabilities, albeit with quite different areas of expertise.

Culture and Personnel
- Work to avoid any pauses in momentum where positive reform is ongoing. Examples include visa reform, intelligence, and biometrics.
- Senior executives (below the secretary level and through the senior executive service) will need to be informed as soon as information becomes available, as their support and selling HA to the workforce will be essential for a smooth transition. A robust strategic communications plan must be part of the establishment of HA.
- Build accountability into the workforce and senior executive service from the beginning of the establishment of HA.
- Unlike in the DIBP, where one of the initial goals was to build a single culture, most expressed that a single culture should not be the stated outcome, but rather it would be more important to find ways to embrace the different cultures of the organisations while building a common sense of purpose.
- Values, behaviour, performance, and leveraging diverse expertise and capabilities are more important than a single HA culture.
- Expectation management and staged delivery will be important for ensuring that the new department does not overpromise and underdeliver.
- Avoid perceived or real inequities; in the DIBP integration and reform, inequities in conditions and perceived preferential access to resources and opportunities contributed to loss of momentum and morale issues across the workforce.
- To the extent possible, harmonisation of entitlements would be a strong preference, as it would eliminate a perpetual source of friction that occurred as part of the DIBP integration.
- Limiting senior leader personnel turnover would provide necessary stability, support building teams and networks for information flow, and likely limit loss of momentum associated with gapped positions or junior people fleeting-up without the necessary qualifications to fulfil the duties of the positions.

Capability

- Discipline in documenting HA would prevent issues such as failing to assign responsibilities for key roles and missions (as occurred in the integration of the DIBP).
- Establishing a contestability framework will be imperative early in the lifecycle of HA. This will allow for making informed decisions about strategy and resource issues.
- Look closely at the support functions—such as training, education, and the ABF College—and ensure that appropriate resources are provided.
- Ensuring that there is documentation for all changes to the organisations, functions, and missions must be a top priority. This includes cataloguing and harmonising the obligations, authorities, and responsibilities of HA elements to ensure all missions are coordinated and have a responsible office overseeing them.
- Building end-to-end operational and enterprise capabilities processes into coherent systems would benefit from a portfolio review early in the development of HA. This includes deconfliction of operations, necessary equipment and resources, and a workforce with the right capabilities based on the appropriate mix of training, education, and experiences.
- Look to incorporate shared services models in accordance with government policies and where it makes sense to do so, while having the flexibility to modify the model for operational elements, where necessary.

Action Plan for Integration and Reform

- Translating strategic vision into an actual plan should be a top priority.
- The development of HA cannot be a "pick-up" game. It will require first-class leadership and execution at all levels and important follow-through.
- Key documents such as business plans must be developed and disseminated early in the lifecycle of the establishment of HA. Normal routines and documentation could help to more rapidly mature the department.

Monitoring Progress

- A dedicated team to monitor and report on the progress of the establishment of HA is necessary to ensure progress, track key POI and ECM metrics, and ensure senior leadership visibility of the same.
- A system to review the status of key metrics on a monthly basis would be beneficial for the new HA organisation. These metrics should be outcome-based rather than time-based. Tracking of the metrics should continue until they are achieved.

Conclusions

The priorities listed in this section are meant to provide inputs to the senior leadership responsible for establishing HA. They are not recommendations, but rather reflect inputs provided from interviews based on a direct question regarding priorities.[4] They also reflect analysis of documents and RAND assessments developed as a result of the broader interview questions.

In this analysis, individual comments were far less important than identifying major strategic and operational thrusts identified by multiple respondents. Since the potential priorities reflect thrusts, no attempt to reference specific sources has been made.

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[4]   See Annex B, Question 4.c. for the question asked of interviewees.

Study Conclusions

Important progress has been made over the past two years in building a modern border management capability for Australia. More work remains, but the progress has been clear and unequivocal. The foundations of the DIBP are solid and will serve as a core for HA.

As indicated by quantitative and qualitative measures, the integrated DIBP has improved the effectiveness and efficiency of its support of the government of Australia in the customs, immigration, and border protection mission area during the period of 2014–2017. This has been accomplished while undergoing a significant integration and reform effort coupled with a decrease in top-line funding.

A total of 168 operational program performance measures were provided; however, either no data or insufficient data was available for 90 of them. Therefore, 78 metrics were used in conducting the analysis. Of these 78 metrics, 44 (56.4 per cent) met targets or were improving, 29 (37.2 per cent) remained constant, and 5 (6.4 per cent) "did not meet target or were declining." A total of 73 of the metrics, almost 94 per cent, either "met targets or were improving" or "or remained constant."

At the same time, Australia has experienced significant increases in border-related activities. For example, in monthly personnel arrivals and departures, the totals have gone from approximately 1.2 million to 1.5 million per month, a 20 per cent increase. These increases translate to transactions (that is, additional work to be performed) in support of arrivals and departures. Regarding imports, the value during the three-year period from 2014 to 2017 has increased from approximately AUS $20 billion to AUS $22 billion per month, a 10 per cent increase.

However, DIBP progress toward achieving the goals of integration has been uneven across the department. In areas of POI, there has been a high level of leadership attention in developing capability, and important progress has been made in reaching the goals of integration and subsequent reform. In contrast, in the ECM areas, RAND identified shortfalls in focus and achievement that continue to exist. To redress these issues, sustained emphasis and leadership attention will be required to build ECM capability to fully meet the goals set out in the original integration directives.

The DIBP integration and reform effort provides a unique opportunity to continue to build key institutions in the department as well as to use the lessons learned to

more effectively and efficiently manage the establishment of HA. Themes from the DIBP experiences include:

- Integration and reform were necessary and have resulted in a DIBP that is stronger and better positioned to meet the needs of Australia.
- The timelines for change in the integration of the DIBP were overly aggressive and the speed of transition hindered taking a more measured view of the roles, missions, and functions of the elements of the newly formed department.
- Excessive personnel turbulence, particularly at the senior levels, hindered progress toward integration and the follow-on reform.
- Pre-execution planning, development of metrics for assessing progress, and periodic assessments are essential to developing and maintaining momentum.

Looking directly to the establishment of HA, development of a plan with adequate metrics and monitoring capabilities will be essential to making timely progress toward the establishment of a fully functional HA. The GAO framework used by RAND to assess the DIBP in these two studies would provide a useful point of departure. The elements—(1) operational effectiveness and efficiency, (2) culture and personnel, (3) capability, (4) action plan, and (5) monitoring progress—provide a useful framework for ensuring key establishment activities are not omitted. Furthermore, the framework could be tailored to meet the specific priorities of HA leadership in working toward essential objectives and timelines.

Considering some of the noteworthy issues that have hindered progress in the DIBP integration and reform can provide broad insights that could be emphasised from the onset.

- HA establishment will require significant deconfliction between the agencies being integrated. Determining design models—centralised versus decentralised, shared services for key functions, or a more limited hub and spoke for key support functions such as intelligence—will present challenges. To alleviate some of these issues, establishment of principles could be beneficial.
- To the extent possible, POI and ECM areas should receive equal attention from senior leadership. There is a perception that senior officials appear to be more concerned with POI than with ECM issues.
- Personnel issues should be managed closely from the beginning. Senior leaders should understand and be able to articulate the rationale for HA formation. Senior leader turbulence should be avoided, as this slows momentum and destabilises staff. Areas such as L&D should receive appropriate attention from the onset.
- While generating savings can be a laudable goal, in the near term resource expenditures will likely be necessary to assist in building new institutions for HA. Attempting to take early savings could lead to starvation of the very mechanisms

needed to build HA and ultimately turn into a self-defeating proposition. Given the need to build institutions for HA, one should expect that increases in spending, especially in ECM-type support functions—such as L&D—will be needed.

As the DIBP integration and reform process over the last three years has demonstrated, the decision to merge Customs and Immigration into a single department was both appropriate and necessary. The integrated DIBP has outpaced the individual entities in effectiveness and efficiency.

The establishment of HA has the potential for achieving the same effect across the broader efforts in the Home Affairs mission space.

Interviews Conducted

Interviews were conducted with DIBP and ABF senior leaders and external stakeholders. Interviewees came from three groups: (1) senior representatives from DIBP and ABF, (2) regional commanders and directors, and (3) external stakeholders. Thirty-six official interviews were conducted. Lists of personnel interviewed are found in Tables A.1 and A.2.

Other informal discussions were held with DIBP officials. These discussions provided background or were used to clarify information that had been collected, either as part of the documents provided by DIBP or during formal interviews.

Table A.1
DIBP and ABF Senior Leaders Interviewed

NAME	POSITION
Michael Pezzullo	Secretary
Michael Outram	Acting Commissioner (ABF)
Linda Geddes	Acting Deputy Secretary Policy Group (DIBP)
Kaylene Zakharoff	Acting Deputy Secretary Visa and Citizenship Services Group (DIBP)
Mandy Newton	Deputy Commissioner Support (ABF)
Maria Fernandez	Deputy Secretary Intelligence and Capability Group (DIBP)
Jenet Connell	Deputy Secretary Corporate Group / Chief Operating Officer (DIBP)
Rachel Noble	Deputy Secretary DIBP/ABF Home Affairs Implementation Team
David Wilden	First Assistant Secretary Immigration and Citizenship Policy Division (DIBP)
Clive Murray	Acting Deputy Commissioner Operations (ABF) Assistant Commissioner Strategic Border Command (ABF)
Cheryl-Anne Moy	First Assistant Secretary Integrity, Security and Assurance Division (DIBP)
Ben Wright	First Assistant Secretary Corporate Services Division (DIBP)
Cameron Ashe	First Assistant Secretary Intelligence Division (DIBP)
Wayne Buchhorn	Assistant Commissioner Investigations Division (ABF)
Jim Williams	Assistant Commissioner Border Management (ABF)
Steven Groves	First Assistant Secretary Finance Division (DIBP)
Justine Jones	Assistant Secretary, Detention Assurance Branch (DIBP)
Rachel Houghton	Acting Assistant Commissioner, Border Force Capability Division (ABF)
Peter Laver	Commander, Maritime Border Command (ABF)
Pip de Veau	First Assistant Secretary, Legal Division (DIBP)
Jason Russo	Acting First Assistant Secretary, Strategic Policy Division (DIBP)
Murali Venugopal	First Assistant Secretary, People Division (DIBP)
Agnieszka Holland	Assistant Secretary, Administrative Compliance Branch (DIBP)
Michael Milford	First Assistant Secretary, Major Capability Division (DIBP)

Regional Directors and Commanders

NAME	POSITION
Anthony McSweeney	Acting Regional Commander (NSW)
Emma Newman	Acting Regional Commander (WA)
Steven Biddle	Regional Director (QLD)
Lesley Dalton	Regional Director (NSW/ACT)
Steven Karras	Regional Director (WA)
Peter Van Vliet	Regional Director (VIC/TAS)
Jane Sansom	Regional Director (Central West Region)

Table A.2
External Interviews

NAME	POSITION
Russ Crane	Strategic Advisory Committee (SAC) Member
Mark Lelliotte	SAC Member
Mick Roche	Gateway Review
Rick Smith	Functional Efficiency Review
Mark Ridley	Risk Audit Committee

Interview Questions

Questions for DIBP Interviews

Introduction:

In Phase I, RAND was asked to evaluate the effectiveness of this newly formed department by examining the relevant official DIBP data during the period of 2014–2016. This analysis focused on developing quantitatively informed trends during this period. RAND also conducted a review of five areas: (1) intelligence, (2) investigations, (3) detention, (4) integrity and corruption, and (5) learning and development.

For this second phase, RAND will examine the functioning of the DIBP during the period 2014–2017 to develop trends and assess operational performance and organisational development. This second phase will also delve into the lessons learned in this DIBP integration and subsequent reform. This information will serve as an important data point as the DIBP undergoes further evolution in the formation of an Australia Department of Home Affairs.

Questions:

1. Biographical Information
   a. Name?
   b. What is/was your position(s) in the government?
   c. How long have/did you serve?
   d. What are/were your dates of service?
2. Pre-Integration (2014–2015)
   a. How was your organisation functioning prior to the integration?
   b. What were the major accomplishments and shortfalls of your organisation?
   c. Was pre-execution planning adequately done prior to the integration?
   d. What lessons have been learned following the pre-integration period?
3. Post-Integration (2015–2017)
   a. Have the goals of the integration and subsequent reform been met? Assuming the goals and objectives have not yet been achieved, when do you assess they will be achieved? Is the organisation more capable today than prior to the integration? If so, in what areas?

    b. Five areas were considered for special emphasis in the initial study. Can you comment on how well these areas have been integrated across the DIBP over the last two years?
1. Intelligence
2. Investigations
3. Detention
4. Integrity and corruption
5. Learning and development

    c. Were resources adequate for successfully conducting the integration/reform?

    d. Has the workforce been supportive of the implementation of the integration/reform?

    e. What have been the most difficult aspects of managing change over these past two years?

4. Thoughts for the Future

    a. Concerning the building of a professional customs, immigration, and border organisation, do you assess the trends to be positive, negative, or unchanged?

    b. What lessons have been learned that can be applied to the formation of an Australia Department of Home Affairs?

    c. What areas should be priorities in developing a plan for the formation of an Australia Department of Home Affairs?

    d. Anything else you would like to add?

Detailed Findings from Assessing Operational Effectiveness as a Result of the Reorganisation

The information in this annex provides additional information on operational effectiveness and efficiency. This annex includes a background section with several rollup charts providing information on the DIBP performance, focusing on the 2014–2017 period.

These charts support high-level comparisons of workloads to assess whether there have been any early impacts resulting from the reorganisation. The sources of data for the graphs are provided for reference. These data are not intended to be comprehensive descriptions of the mission space but, rather, used in supporting the assessments that have been made.

The following charts demonstrate overall trends regarding border management and enforcement. Australia has experienced significant increases in border-related activities in monthly personnel arrivals and departures, imports, and number of vessels (Figures C.1 through C.3, respectively). The arrival of personnel and goods has increased in recent years. Each of these movements creates an increased workload and requires a decision, verification, and potentially an inspection by DIBP organisations and personnel.

The overseas arrivals and departures (Figure C.1) demonstrate an exponential growth beginning in 1980. During this period to the present, the monthly transactions of arrivals and departures have increased from approximately 200,000 to 1.5 million, 650 per cent. Examining the three-year period from 2014 to 2017, totals have gone from approximately 1.2 million to 1.5 million per month, a 20 per cent increase. These increases translate to transactions (that is, additional work to be performed) in support of arrivals and departures.

The historical overview of goods imported also demonstrates important increases in transactions. From 2005 to the present, this has increased from approximately AUS $13 billion to AUS $22 billion, a 70 per cent increase. Over the three years from 2014–2017, the increase has been from approximately AUS $20 billion to AUS $22 billion per month, a 10 per cent increase.
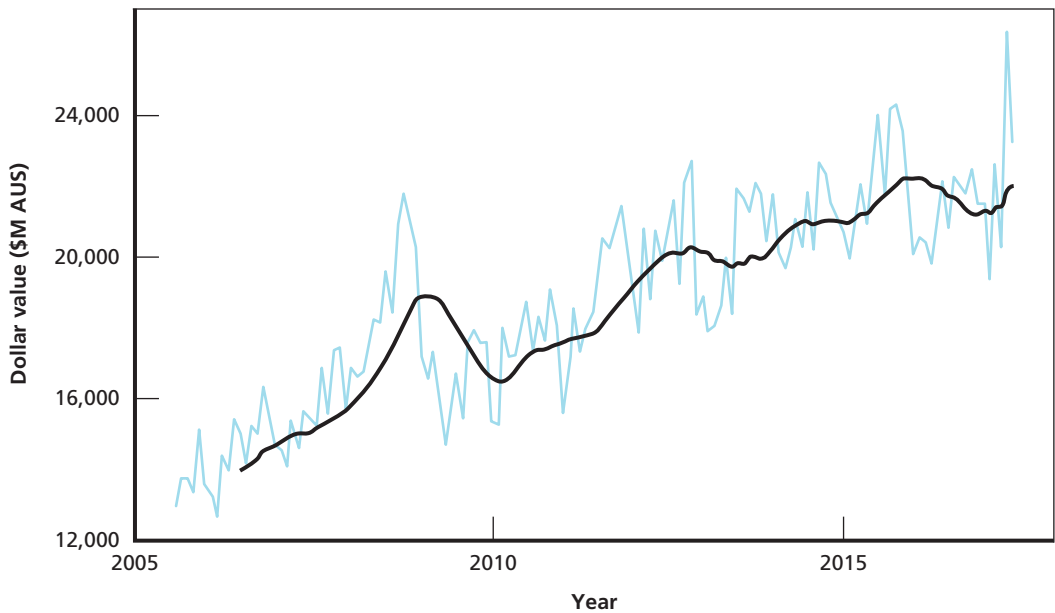
Figure C.1
Overseas Arrivals and Departures (Monthly)
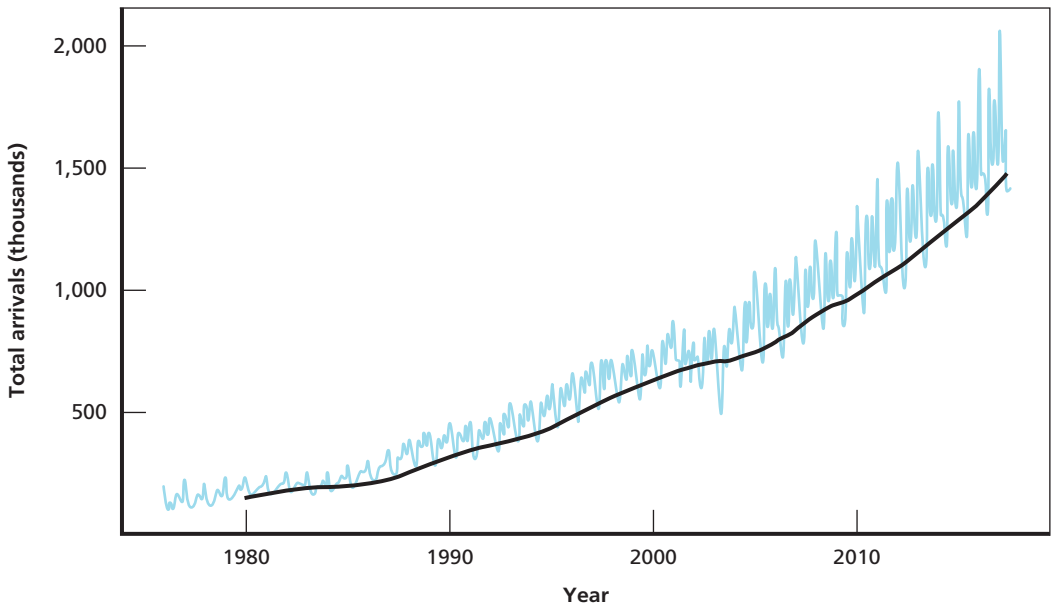
Figure C.2
Goods Imported by Value (Monthly)

Figure C.3
Arrivals of International Vessels Carrying Goods or Passengers
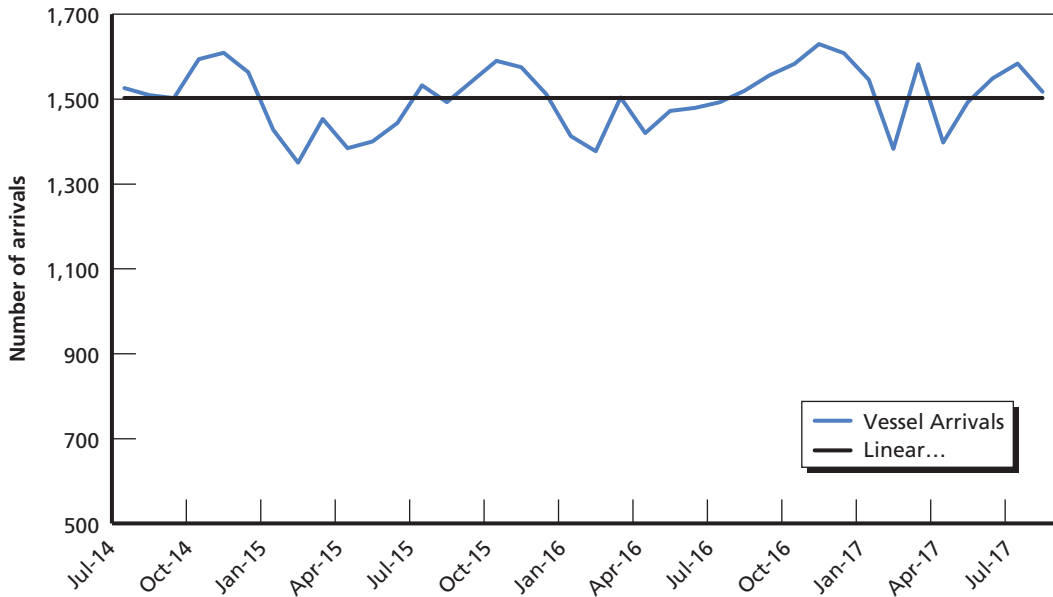
SOURCE: Border Data provided by DIBP.
RAND *RR2262-C.3*

The historical overview of international vessel traffic arrivals of vessels carrying goods or passengers (Figure C.3) shows on average a slight increase over the period 2014–2017 as depicted by the trend line. While the data fluctuates seasonally, there is a slight upward trend indicating additional arrivals and therefore an increased workload.

Examples by Outcome and Program

Outcome 1: Protect Australia's sovereignty, security, and safety by managing its border, including through managing the stay and departure of all non-citizens.

Regarding illegal activities and border enforcement, trends are mixed across the different subset of metrics. The number of personnel actions has no clear trends, as of the three metrics, one is increasing (Passenger and Crews Refused Immigration Clearance), one is relatively constant (Number of Visa Cancellations), and the other is decreasing (Illegal Worker Warning Notices Issued) (see Table C.1).

For the border infractions related to illegal weapons and drugs, the trends are also mixed, with the number of undeclared firearms decreasing while the kilograms of drug seizures are increasing.

Table C.1
Categories of Border Infractions

Measure	2014	2015	2016
Illegal Worker Warning Notices Issued	360	241	217
Number of Visa Cancellations	22,758	26,453	24,142
Passenger and Crews Refused Immigration Clearance	333	1,315	1,679
Number of Detections of Undeclared Firearms	715	625	470
Weight of Major Drugs and Precursors (Kg)	1,680	1,671	1,827

SOURCE: DIBP Minister's Dashboards (2015–2017).

Figure C.4
IMAs and Non-IMAs (Onshore and Offshore)
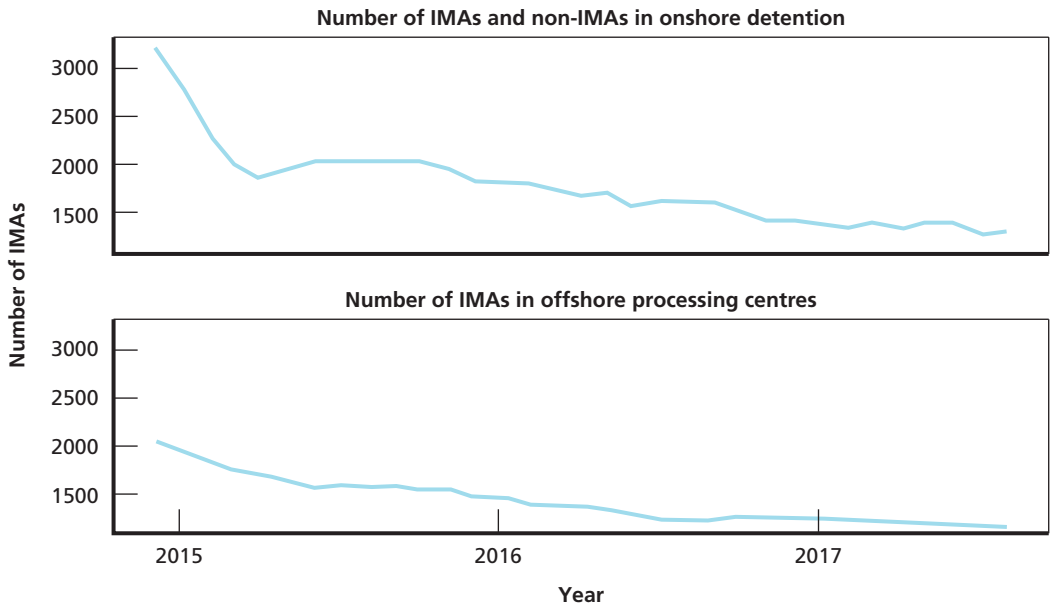
SOURCE: Data provided by DIBP.

RAND *RR2262-C.4*

The data for processing illegal immigrants and overstayers indicate mixed trends across the mission space. For example, onshore and offshore IMAs have seen a reduction over time, which is positive, while the numbers of overstayers and unlawful non-citizens have remained approximately constant in the 2015–2017 period (see Figure C.4).

The number of IMAs and non-IMAs held in processing and detention centres has continued to decline over the last three periods. The decrease can be directly traced to policy changes by the government of Australia as executed by the DIBP.

The goal for people held in offshore processing centres has been reduced to 1,000. While this goal has not been reached, the overall reductions in offshore detentions have been dramatic.

Reductions in onshore detention have also been reduced from almost 3,200 in 2015 to approximately 1,300 in 2017. Several onshore facilities have been closed and the policies have been instituted to move people out of these facilities and into community detention. The goal of removing all children from detention facilities has also affected these numbers.

With respect to overstayers (people becoming unlawful and total unlawful non-citizens), the numbers are increasing, indicating a negative trend (See Figures C.5 and C.6). After declining steadily from 2011–2012 to 2014–2015, the number of people becoming unlawful increased in 2015–2016 by over 11 per cent, from 13,750 to 15,340. The total estimate of unlawful non-citizens has continued to increase from 2010 to 2016, from 53,000 to 64,600 (see Figures C.5 and C.6).

Outcome 2: Support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa and citizenship programs and provision of refugee and humanitarian assistance.

Data associated with this outcome reflects little change in the citizen or visa application areas in terms of per cent within standards (see Figures C.7 and C.8).
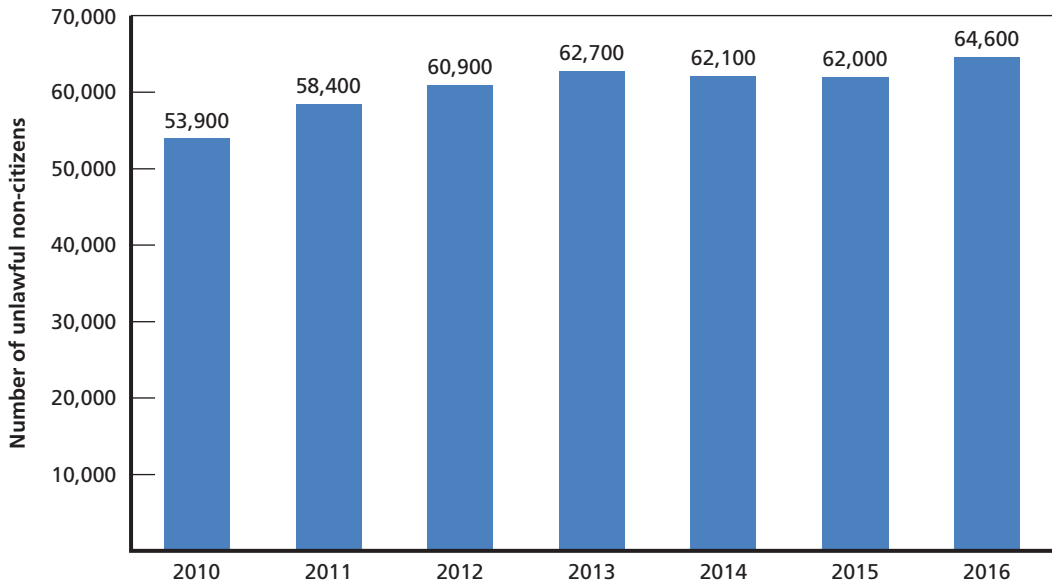
Figure C.5
Overstayers
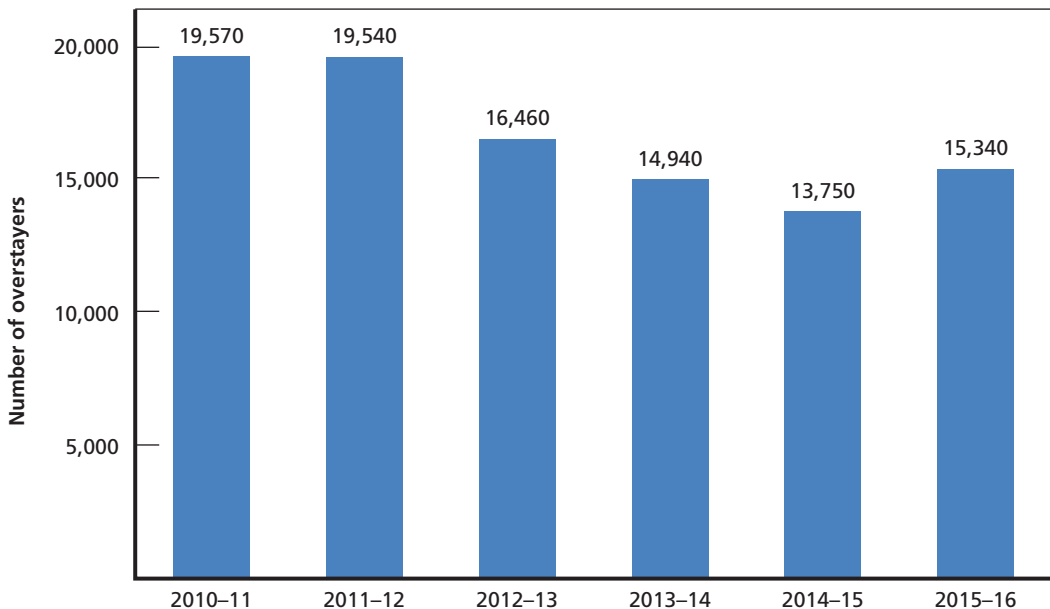
SOURCE: Data provided by DIBP.

RAND *RR2262-C.5*

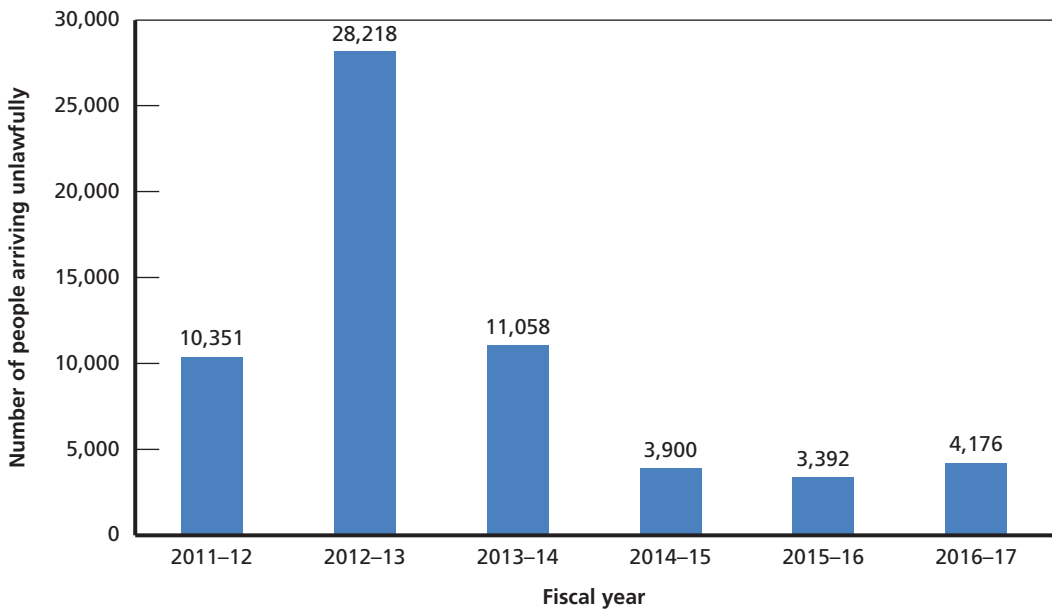**Figure C.6**
Estimate of Unlawful Citizens

NOTE: *Estimated as of 30 June of each year.
SOURCE: Data provided by DIBP.
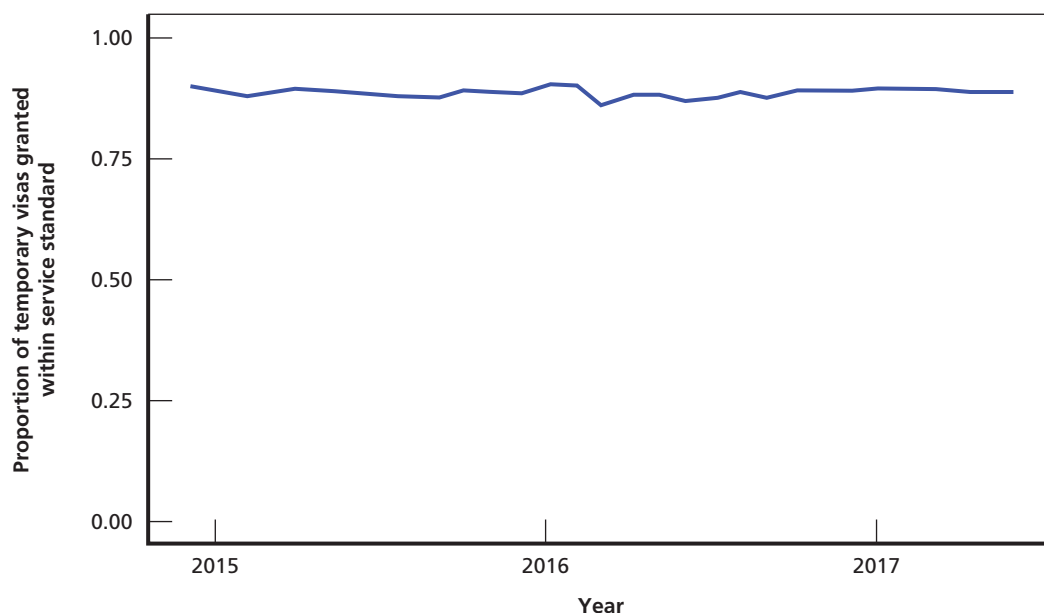**RAND** *RR2262-C.6*

Figure C.7
Number of People Arriving Unlawfully

SOURCE: Immigration Compliance & Status Resolution Programme Analysis Report (PAR)
2011–2012 to 2016–2017.
RAND *RR2262-C.7*

Figure C.8
DIBP Temporary Visa Application Throughput

SOURCE: Temporary Visa Data provided by DIBP.

RAND *RR2262-C.8*

Figure C.8 depicts temporary visa application throughput. The levels have been relatively constant across the three-year period and indicate that approximately 90 per cent of the people applying for visas are being serviced within the service standard that has been established.

Outcome 3: Advance Australia's economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.

Revenues for visa and customs are continuing to steadily increase (see Table C.2). This is an increasingly important source of revenue for the government of Australia. The increase of revenues was almost 2 per cent from 2015–2016 to 2016–2017 but is projected to increase to over 35 per cent by 2021.

This section examines departmental-level capabilities, which include such areas as improving the department's processes, budgets (and revenues), material expenditures (and modernisation of equipment), and personnel and training.

The DIBP expenses as categorised by outcome highlight that planned expenditures decrease from 2015 to 2021. The largest decrease is from 2016–2017 to 2017–2018. The consistent reductions reflect the inclusion of efficiency measures resulting from the reorganisation.

Table C.2
Categories of Border Revenue (AUS Dollars)

Category	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020	2020–2021
DIBP	17,322,357	17,635,995	18,579,332	20,340,187	21,908,540	23,475,066
Taxation Revenue	17,259,053	17,565,047	18,510,010	20,270,620	21,836,472	23,402,973
Non-Taxation Revenue	63,304	70,948	69,322	69,567	72,068	72,093

SOURCE: DIBP Annual Report 2015–2016 p.195 & 2017–2018 Portfolio Budget Statements, p. 62; supplied by DIBP in 2017.

Figure C.9
DIBP Expenses Categorised by Outcome
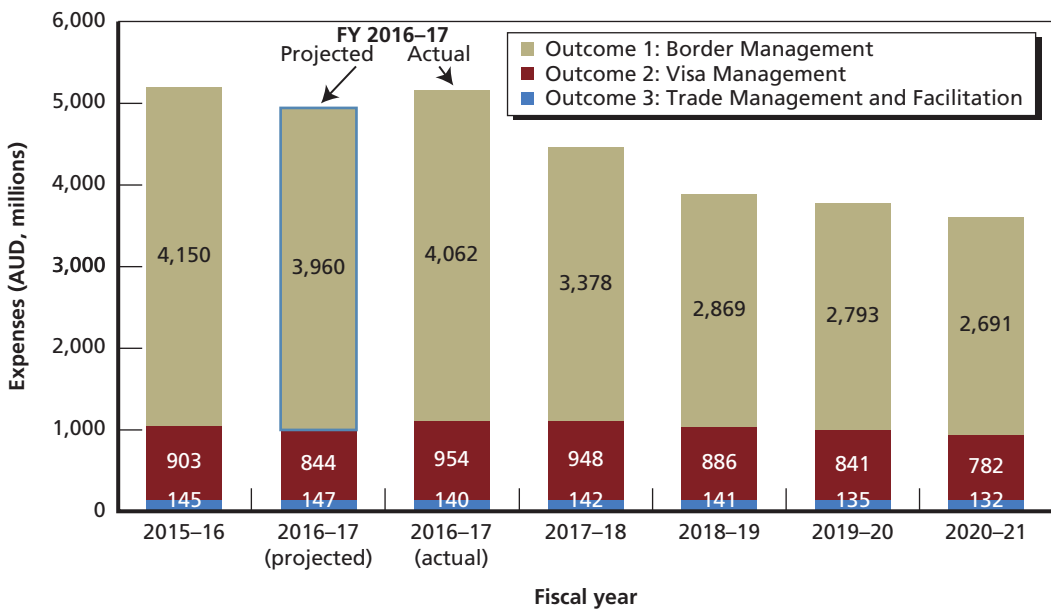
SOURCE: Portfolio Budget Statements 2016–2017, Budget Related Paper No. 1.11.
RAND RR2262-C.9

However, the data also indicates that planned reductions in the 2016–2017 budget were not fully achieved. Originally, the DIBP had planned for an AUS $248 million reduction from 2015–2016 to 2016–2017. The actual reduction was approximately AUS $90 million. This still demonstrates an increase in effectiveness and efficiency, as the workload did increase over this period and the overall expenditures decreased.

Furthermore, the 2016–2017 expenditures call into question whether the DIBP can achieve the 2017–2018 estimate of AUS $4,467 million, which would be a 15 per

Figure C.10
Revenues Administered on Behalf of the Government
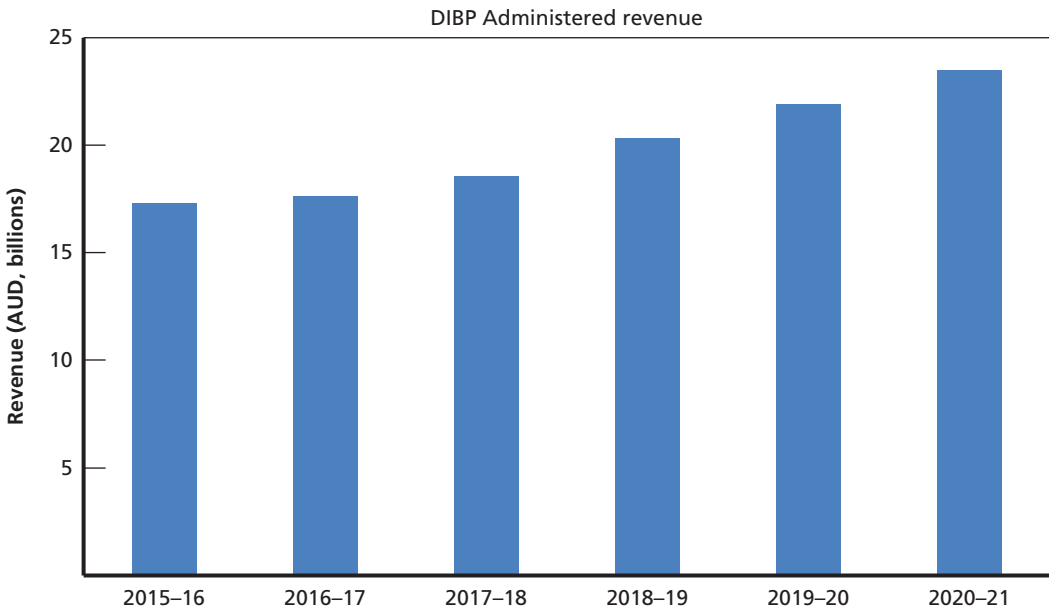
DIBP Administered revenue

SOURCE: DIBP Annual Report 2015–2016 p. 195 & 2017–2018 Portfolio Budget Statements, p. 62;
supplied by DIBP in 2017.

RAND *RR2262-C.10*

Figure C.11
DIBP and ACBPS Staffing Levels (Average)
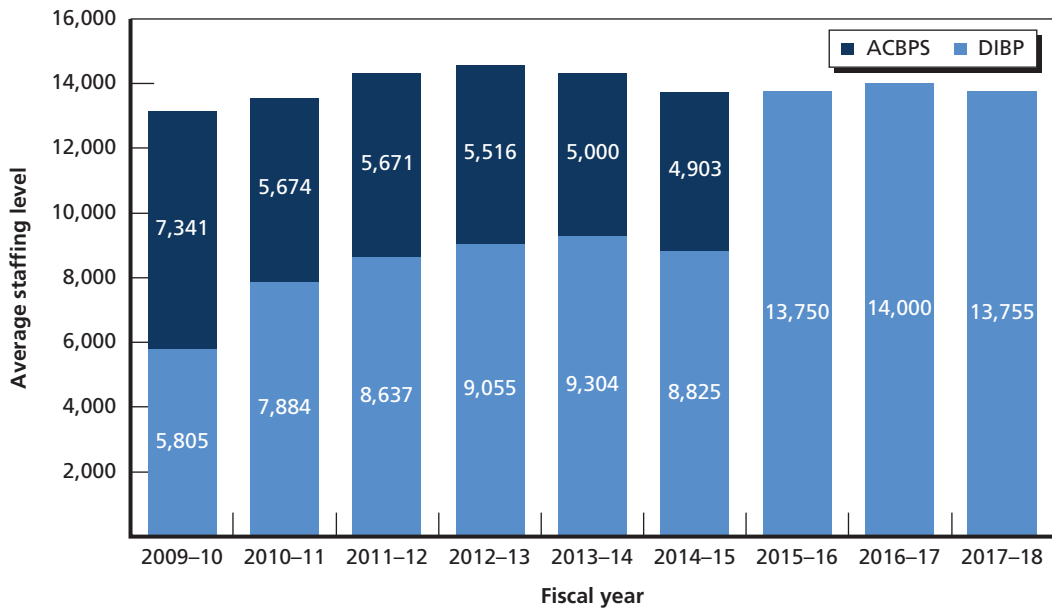
SOURCE: DIBP Personnel Summary.

RAND *RR2262-C.11*

Table C.3
Per Cent Gain and Loss for Large Organisations (Over 100 Personnel)

Organisation	Fiscal Year			Pct. Gain/Loss
	14–15	15–16	16–17	
Border Force Capability	741	1024	1100	48.45%
Border Management	311	403	408	31.19%
Intelligence Division	473	489	557	17.76%
Strategic Border Command	2988	3221	3383	13.22%
Identity and Biometrics	154	170	173	12.34%
International Division	162	165	171	5.56%
Community Protection	764	878	761	−0.39%
Executive Division	171	183	167	−2.34%
Legal	272	277	265	−2.57%
Immigration and Citizenship Policy	155	178	150	−3.23%
Refugee and Humanitarian Visa Management	590	634	561	−4.92%
ICT Division	799	764	758	−5.13%
Enforcement Command	746	765	691	−7.37%
Visa and Citizenship Management	2075	2103	1907	−8.10%
Deputy Secretary Policy Group	640	636	571	−10.78%
Detention Services	108	101	95	−12.04%
Finance Division	245	204	208	−15.10%
Major Capability	310	294	261	−15.81%
Digital Transformation and Channels	616	558	517	−16.07%
Strategic Policy	154	156	124	−19.48%
Detention and Offshore Ops Command	286	218	223	−22.03%
Corporate Services	338	318	262	−22.49%
Traveller Customs and Industry Policy	158	132	122	−22.78%
Integrity Security and Assurance	188	168	140	−25.53%
Children Community and Settlement	255	214	188	−26.27%
People Division	428	371	306	−28.50%
Light Blue = ABF				

SOURCE: DIBP Personnel Summary.

cent reduction. The ramp would have amounted to only a 10 per cent reduction had the original 2016–2017 goal been achieved (see Figure C.9).

While the expenses are decreasing, the revenues in the reorganised DIBP are anticipated to increase from 2015–2016 to 2020–2021 by over 35 per cent, resulting from increased trade and travel (see Figure C.10). Note that this information was also presented in Table C.2.

The DIBP and ACBPS staffing levels are also decreasing when comparing the 2013–2014 high point to 2015–2016 (Figure C.11). For the 2014–2015 and 2015–2016 periods, the personnel totals have remained relatively constant. While the figure depicts an increase in 2016–2017, this does not reflect the planned 480 personnel decrease in staffing by the end of 2020 because of the reorganisation.

Using headcount data, changes to organisations with over 100 personnel were calculated. Over the period of analysis (fiscal year 2013–2014 to 2015–2016), the total staffing level of the combined Immigration and Customs organisations grew slightly (0.7 per cent), from 13,923 to 14,025 (as of 30 April 2016). As expected, many of the support divisions (People, IT, Finance, and Policy) shrank because of the integration. Many of the operational divisions (Strategic Border Command, Visa and Citizenship Management, and Investigations) stayed at roughly the same levels or grew slightly.

The data indicate that within organisations significant turbulence is occurring. Undoubtedly, these changes are causing stress and uncertainty within the workforce. The fact that DIBP effectiveness and efficiency, as measured by the increased operational tempo, is occurring at the same time as the major staff reorganisation also is a likely factor in workforce issues.

Table C.3 provides detailed overviews of the gain and loss for large organisational elements.[1]

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[1]   *Large* was defined as those organisations larger than 100 staff over the period of analysis.

Abbreviations

Australian Border Force	ABF
Australian Customs and Border Protection Service	ACBPS
Australian Federal Police	AFP
Australian National Audit Office	ANAO
Australian Public Safety Commission	APSC
Australian Public Service	APS
Australian Security Intelligence Organisation	ASIO
Australian Transaction Reports and Analysis Centre	AUSTRAC
Border Force Officer Recruit Training	BFORT
Border Intelligence Fusion Centre	BIFC
Department of Home Affairs	HA
Department of Immigration and Border Protection	DIBP
Department of Immigration and Citizenship	DIAC
Department of Immigration and Multicultural Affairs	DIMA
Department of Immigration and Multicultural and Indigenous Affairs	DIMIA
Director of National Intelligence	DNI
Detention Capability Review	DCR
enterprise, corporate, and management	ECM
European Agency for Management of Operational Cooperation at External Borders	FRONTEX
European Border and Coast Guard Agency	EBCG
Federal Emergency Management Agency	FEMA
Illegal Maritime Arrivals	IMA
information, communications, and technology	ICT
information technology	IT
Intelligence Community	IC
learning and development	L&D
Office of the Director of National Intelligence	ODNI
Policy and Procedure Control Framework	PPCF
policy, operations, and intelligence	POI
President's Intelligence Advisory Board	PIAB

Transportation Security Administration	TSA
United States Secret Service	USSS
U.S. Citizenship and Immigration Services	USCIS
U.S. Coast Guard	USCG
U.S. Customs and Border Protection	CBP
U.S. Department of Defense	DoD
U.S. Department of Homeland Security	DHS
U.S. Government Accountability Office	GAO
U.S. Immigration and Customs Enforcement	ICE

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In 2016, RAND Corporation conducted an evaluation of the newly integrated Department of Immigration and Border Protection (DIBP). This report, requested by the DIBP, presents a second, follow-on evaluation with two thrusts: to update the previous analysis and identify lessons for continued DIBP reform, and to inform the upcoming transition to an Australian Department of Home Affairs (HA).

Interviews with senior leaders and documents dating to 2005 provide the foundation for judgments and findings in this report, concentrating on changes during the period 2016–2017 and ongoing and planned efforts by DIBP as part of future reform.

Analysis focuses on: (1) intelligence, (2) investigations, (3) detention, (4) integrity and corruption, and (5) learning and development.

This report finds that (1) previous DIBP progress toward integration and reform has continued, although uneven across the department, and many goals remain a work in progress, (2) lessons and insights applicable to the formation of the soon-to-be-established HA have been learned; and (3) other organisational transformations by similar organisations identify insights and pitfalls for the establishment of HA. Overall, progress has been made in building a modern border management capability for Australia, though more work remains. The foundations of the DIBP are solid and can serve as a basis for the establishment of HA.