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Audit report: Immigration and Customs merger can't prove promised benefits

By Sally Whyte

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Talking points

- The merger of Immigration and Customs was announced in May 2014.
- In December last year the department became the Department of Home Affairs.

The benefits of the merger of the Immigration and Customs departments and creation of Australian Border Force haven't been proven and promised increased revenue hasn't materialised, a damning audit report has found.

While the Department of Immigration and Border Protection did achieve the merger effectively, it "is not in a position to provide the government with assurance that the claimed benefits of integration have been achieved," the report said.



There was no evidence Home Affairs minister Peter Dutton received written briefings on progress of the merger.

Photo: Justin McManus

The merger of the Department of Immigration and Border Protection with the Australian Customs and Border Protection Service took place in 2015, with its functions now covered under the Department of Home Affairs. Controversial at the time, it heralded a move to focus more on guarding the country's borders over resettlement and migration.

In the business case for the merger, the department committed to a "Benefits Realisation Plan," but because the plan was not implemented, the claimed benefits have not been measured and can't be demonstrated, the report said.

While the business case for the integration of the departments promised an increase in revenue from customs duty, less than half of the promised revenue increase has materialised. At the end of 2017, just 42.2 per cent of the extra revenue committed to had been achieved, and the report predicted that at the current rate just 31.6 per cent of the additional revenue promised would be delivered.

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When the merger was announced, then immigration minister Scott Morrison promised "hundreds of millions in savings" would be reinvested back into the agency.

Auditor-general Grant Herir slammed the department's record keeping, which the department admitted was in a "critically poor state," and said there was no evidence that the Minister Peter Dutton was given written briefings on the progress of the integration of the departments.

In its response, the Department of Home Affairs acknowledged it had issues with record keeping and committed to making improvements a priority. The report didn't look on this commitment favourably though, pointing to more than 10 years of audits and reviews that have made similar findings.

"The problems and their solutions are known to the department, and it has an action plan to address them, although numerous previous attempts to do so have not been successful," it said.

The report also found that the department experienced a loss of corporate memory through the merger.

"Almost half of SES officers present in July 2015 [were] no longer in the department at July 2017," it said.

The report also found that out of 33 consultancy contracts with values of more than \$1 million, just 2 were evaluated for value for money, meaning that it was unclear if the other 31 contracts had been value for money.

Spending on consultancy in the department more than doubled in the years after the merger, topping more than \$50 million in each of the 2014-15 and 2015-16 financial years.

Labor's Immigration and Border Protection spokesman Shayne Neumann said the report was "another blow" for Home Affairs Minister Peter Dutton.

"The Department also failed to implement its own Benefits Realisation Plan – meaning they can't demonstrate to the Government if the claimed benefits of integration have even been achieved," he said in a statement.



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roddo 2 WEEKS AGO

I do not concur. It certainly resulted in more money. To one Mr Pezullo and the executive underlings in his remit. Plus the contractors for the new taj mahal fit out at Canberra Airport (\$260Million +)

RESPECT 



GregFThompson 2 WEEKS AGO

And this was the first step in creating the monolith that is now Home Affairs. What confidence can we have that it will be any more successful. The AG also points to the weaknesses in the Commonwealth procurement system - a clear reason for a commitment to Open and Clean Contracting!

RESPECT 



Alright Guy 2 WEEKS AGO

Shock me

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