



Border Force merger fails to bring savings and beset by problems – report

Audit report into the merging of departments finds it failed to realise savings and is plagued by poor record keeping and high turnover

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Thu 7 Jun 2018 04.00 AEST

The creation of the Australian Border Force by the merging of the departments of immigration and border protection failed to bring the budget savings it promised, and was beset by poor record keeping and high turnover, the Australian National Audit Office (ANAO) has found.

It also found the department failed to evaluate 94% of its contracts with external consultants engaged to assist the merger.

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In 2014 Morrison, the then minister for immigration and now treasurer, announced the merger of the Department of Immigration and Border Protection with the Australian customs and border protection service. Peter Dutton took over the ministry in December of that year, and after legislation was passed the new department and agency came into force in July 2015.

The move, which also established the Australian Border Force (ABF) as a frontline agency, was in response to a previous recommendation by the ANAO in order to cut duplication and make “significant” savings.

The ANAO review found that while the government had achieved the merger “in a structural sense”, it was “not in a position to provide the government with assurance that the claimed benefits of integration have been achieved”.

It also revealed there was no evidence “to indicate that written briefings were provided to the minister on progress”.

A significant part of the new department included the creation of 38 reform projects, at a cost of more than \$997m, expected to be offset by \$560m in savings from the merger and \$498m over six years in predicted additional revenue from customs.

However, “since 2014-15, the department has not undertaken any detailed analysis to confirm that the efficiency measures which were directly costed and agreed in the Integration Business Case have been completely implemented or achieved at the rate proposed,” the report said.

It also found that at current rates of additional customs revenue, by the end of 2019/2020 the department will have achieved less than a third of its commitment.

The department maintained it was on track, an assessment which the ANAO labeled “inconsistent”.

Successive reports to the executive in 2015 confirmed the shortfall and identified problems with the consultant-developed analytic models, redirection of revenue compliance officers, long-term vacancies, and other delays.

By July 2017 almost half of the senior executive service officers who were in their roles at the start of the merger had left.

The ANAO also found inadequate record keeping, which it said had been “a persistent theme” in its audits of the department and in independent reviews dating as far back as 2005 when Australian citizen, Cornelia Rau, was unlawfully detained.

“Since July 2010, seven audit reports of the department have identified issues with record keeping, with three of the reports having made specific recommendations aimed at improving the department’s record keeping, to which the department agreed,” it said.

The department’s collection of 200m documents on network drives is increasing by 55% each year, and it has another 238m records in document management system TRIM, as well as 553,000 cartons - 241 “shelf kilometres” - of paper files, and an “unknown quantity” of records inside emails.

“With the creation of the Home Affairs portfolio ... the department’s information holdings will increase further,” the report said.

“Unless urgent and significant action is taken to address the record keeping problems and issues which have previously been repeatedly identified, the ANAO continues to consider that there is a risk to the department’s core functions.”

Despite the department’s requirement that staff are to evaluate contracts once completed, 31 of the 33 provided to the ANAO - which were between 2014 and 2017 and worth more than \$1m - had not been assessed.

In 2017 the federal government announced the creation of a superministry - the Department of Home Affairs which would encompass immigration and border protection as well as intelligence and law enforcement agencies. The ANAO review concentrated on the period prior to that change.

Labor spokesman for immigration, Shayne Neumann, accused Dutton of being a “tick and flick” minister who failed to get briefings from his own department.

“Peter Dutton will try to deny his failures and shirk his responsibilities, but the Department of Home Affairs has admitted to the shortfalls identified by agreeing to the recommendations made by the ANAO,” he said.

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