

**HOME AFFAIRS PORTFOLIO  
DEPARTMENT OF HOME AFFAIRS**

**PARLIAMENTARY INQUIRY SPOKEN QUESTION ON NOTICE**

Joint Committee of Public Accounts and Audit

Inquiry into the contract management frameworks operated by Commonwealth  
entities

**13 November 2024**

**QoN Number: 1**

**Subject: AMEP Program cost per year**

**Asked by:** Brian Mitchell

**Question:**

Brian Mitchell: I'm a little bit confused as to how much this program is costing per year in total.

Andrew Kiley: From there, across each of the program years, \$210 million, then \$225 million, \$217 million, \$255 million and \$272 million, with a few thousand on each of those, but we can provide the full figures on notice.

**Answer:**

Refer to response to QoN 2.

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Inquiry into the contract management frameworks operated by Commonwealth entities

**13 November 2024**

**QoN Number: 2**

**Subject: AMEP Program average cost per contract across the thirteen providers**

**Asked by:** Brian Mitchell

**Question:**

Brian Mitchell: I'm just trying to get the maths right. We've got here information that says the contracts are valued at over \$2 billion and will have been in place for seven and a half years before they are replaced, and this represents an average contract value of \$287 million for each of 13 providers. If I multiply \$287 by 13, I come up with \$3.731 billion. Am I reading this right, that the over two billion represents an annual cost of this program? Can somebody go through that for me?

Andrew Kiley: I've got the expenditure for the program going back to 2017-18. I don't have that broken down across each of the providers, so we might need to take those sums on notice. But I'm happy to provide the annual expenditure for each of the program years going back to 2017-18, if that would assist.

Brian Mitchell: Yes, what do you have?

Andrew Kiley: So 2017-18 it's \$210,612,000.

[Interjection]: Average per contract?

Andrew Kiley: I don't have it broken down by average per contract. I've just got the total figures.

Brian Mitchell: So you're saying for 2017-18 the total AMEP cost was \$210 million across all 13 providers?

Andrew Kiley: Yes, correct.

Chair: If you could take that on notice and get what the accurate figures are.

**Answer:**

The table at **Annexure A** outlines the total payments made by AMEP service providers (including Quality Assurance) from 1 July 2019 – 31 October 2024, as administered by the Department of Home Affairs (the Department).

The Department does not hold this level of data for the period 1 July 2017 to 30 June 2019, as the goods receipt data was not migrated across financial systems as part of the implementation of the Machinery of Government changes.

As indicated, the Department does have the total expenditure for these two financial years of the contract at a program level, which is included in the table below.

| <b>Year</b>  | <b>Expenditure \$</b> |
|--------------|-----------------------|
| 2017-2018    | 210,612,041           |
| 2018-2019    | 225,698,000           |
| <b>Total</b> | <b>436,310,041</b>    |

**Annexure A**

| AMEP SERVICE PROVIDER                      | 2019-20<br>\$      | 2020-21<br>\$      | 2021-22<br>\$      | 2022-23<br>\$      | 2023-24<br>\$      | Year to date -<br>Oct 2024<br>\$ |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------------------|
| AMES AUSTRALIA                             | 2,029,301          | 3,060,941          | 2,188,950          | 2,572,252          | 3,820,935          | 1,454,346                        |
| DJERRIWARRH EMPLOYMENT & EDUCATION         | 8,175,609          | 8,755,728          | 7,625,176          | 9,426,586          | 12,580,891         | 5,408,011                        |
| MELBOURNE POLYTECHNIC                      | 35,022,724         | 44,694,384         | 51,964,519         | 65,635,187         | 77,741,564         | 23,889,322                       |
| NAVITAS SKILLED FUTURES PTY LTD            | 28,855,965         | 28,884,813         | 28,853,099         | 34,873,584         | 44,166,029         | 20,823,451                       |
| NORTH METROPOLITAN TAFE                    | 8,908,209          | 12,350,991         | 15,245,239         | 16,178,389         | 19,808,152         | 8,956,370                        |
| SOUTH METROPOLITAN TAFE                    | 5,532,481          | 10,017,992         | 9,696,568          | 10,916,593         | 13,182,933         | 5,378,073                        |
| SOUTH METROPOLITAN YOUTH LINK INC          | 59,218             | 137,969            | 197,814            | 256,907            | 28,860             | 44,388                           |
| SOUTH REGIONAL TAFE                        | 507,550            | 739,906            | 1,023,271          | 903,457            | 1,043,076          | 486,043                          |
| STEPS GROUP AUSTRALIA LIMITED              | 3,162,522          | 3,923,336          | 3,905,636          | 3,902,647          | 4,181,320          | 1,149,467                        |
| TAFE QUEENSLAND                            | 31,140,416         | 51,381,931         | 47,327,919         | 50,186,146         | 58,025,900         | 23,851,663                       |
| TAFE SA                                    | 13,787,040         | 18,945,422         | 21,511,017         | 28,147,446         | 34,493,606         | 10,660,646                       |
| TASTAFE                                    | 1,739,766          | 1,443,382          | 3,097,569          | 3,126,611          | 3,204,521          | 1,327,603                        |
| TECHNICAL AND FURTHER EDUCATION (TAFE NSW) | 47,941,536         | 56,959,167         | 71,622,994         | 86,045,617         | 100,871,746        | 31,930,312                       |
| LINDA WYSE AND ASSOCIATES                  | 1,139,139          | 1,346,853          | 4,242,764          | 4,609,602          | 1,979,331          | 592,408                          |
| <b>Total</b>                               | <b>188,001,478</b> | <b>242,642,814</b> | <b>268,502,533</b> | <b>316,781,023</b> | <b>375,128,865</b> | <b>135,952,102</b>               |

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Inquiry into the contract management frameworks operated by Commonwealth entities

**13 November 2024**

**QoN Number: 3**

**Subject: New IT system**

**Asked by:** Linda Reynolds

**Question:**

Ali Mond: The agreement was established in 2017, with four KPIs in place. But KPI 3, which was around data timeliness, was never used as it was reliant on the delivery of a new IT management system, which did not occur at the time. And KPI 1—  
Senator Reynolds: Can you take on notice why it didn't occur?

Andrew Kiley: We can take that on notice. The decision was made before the administration of our orders came into the Department of Home Affairs in 2019, as part of the machinery-of-government change. So we'll go through the records that we have.

Senator Reynolds: This is obviously an important KPI, in terms of record keeping.

Andrew Kiley: Of course.

Senator Reynolds: And it's not the first time in Home Affairs – Home Affairs, as you're well aware, are frequent flyers, by ANAO and this committee. So could you, specifically, provide information about how this was never developed or implemented.

Andrew Kiley: We can take on notice the decision made in the then Department of Employment and Tourism, who made the decision not to proceed with it, and then we can provide some further information on what we've been doing in the absence of that IT system.

**Answer:**

The current AMEP Agreements were established in 2017 by the then Department of Education and Training (DET).

DET records indicate that the Skills Hub Administration and Reporting Portal (SHARP) IT management system was intended to replace legacy systems for both the AMEP and the Skills for Education and Employment (SEE) program from July 2017, but was still under development at the time AMEP Agreements commenced.

Following Machinery of Government changes announced on 27 May 2019, responsibility for AMEP transferred to the Department of Home Affairs (the department) and responsibility for the SEE program transferred to the Department of Education, Skills, Small and Family Business. At this stage the SHARP project was still under development and had not been implemented. As the SHARP project was being built to support both programs, both agencies needed to consider the future of the project for their respective program.

The department decided to not pursue the SHARP project for the AMEP, to allow consideration of the IT requirements to support AMEP and other settlement and migrant services as part of the broader IT systems environment in Home Affairs. In July 2020, the department integrated the two existing legacy systems for the AMEP – the AMEP Reporting Management System and the AMEP Reporting Facility – to streamline systems support of the AMEP.

The department is currently developing a new IT management system for the AMEP, which will be implemented to support new contracts from 1 January 2026.

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Inquiry into the contract management frameworks operated by Commonwealth entities

**13 November 2024**

**QoN Number: 4**

**Subject: Measuring English proficiency as a KPI**

**Asked by:** Linda Reynolds

**Question:**

Senator Reynolds: What was the requirement to attain proficiency in English and how was that measured?

Ali Mond: That hasn't changed, the measure of measuring progression in the program has not changed. Using that data, we know that in 2022-23 and 2023-24, 89 per cent of clients have achieved language progression across the AMEP.

Senator Reynolds: When you say language progression – perhaps then you could take this on notice as well – you can progress from having a vocabulary of 100 words to 200 words, but that doesn't make you proficient.

Ali Mond: No, that's right

Senator Reynolds: In terms of this information about KPIs, can you tell us what you mean by 'progression' in terms of ability to understand and speak English?

Ali Mond: Sure.

**Answer:**

AMEP client English language progression is measured against the Australian Core Skills Framework (ACSF). For a client to obtain satisfactory progress, they must demonstrate improvement of a minimum of one ACSF indicator.

This was initially assessed every 200 hours as a separate assessment against the ACSF. In 2020, the ACSF assessment was initially paused during COVID-19 to allow service providers to focus on client engagement and retention.

The ACSF assessment was subsequently replaced by the collection of Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) data. For this reporting, client progress is measured by curriculum unit achievement according to the AVETMISS data supplied by AMEP providers, which is mapped to the ACSF. This approach is consistent with recommendations from the Evaluation of the AMEP New Business Model undertaken by Social Compass in

2019 and has removed duplication of assessments (as previously clients were being assessed against both the curriculum and the ACSF).

In both 2022-23 and 2023-24, this data showed that 89% of clients achieved English language progression.



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Inquiry into the contract management frameworks operated by Commonwealth entities

**13 November 2024**

**QoN Number: 5**

**Subject: Overview of KPIs for the AMEP Program**

**Asked by:** Linda Reynolds

**Question:**

Senator Reynolds: It seems almost a bit out in the ether that the aim is for them to come and participate. I get that they all come in at different stages, but surely we need a process that will—it's not undefinable. They start here and they progress from here to here to here, or they start here. You can quantify that

Ali Mond: Can I just clarify—although the KPI was paused, we have not stopped collecting and measuring that data. The arrangement that I spoke about that shows that 89 per cent of people have progressed in their English in the last two financial years—that was formalised with service providers in November 2021, via administrative advice, and since May 2023 it has been documented within the service provider instructions, which form part of the agreement. Although we acknowledge that the KPI hasn't been in place, the department at the time—at the late stage of the contract—did not feel that we had time to negotiate with all providers to put a new KPI in place, but we have formalised it through that agreement. It's just that the program then extended—

Senator Reynolds: Do you realise the absurdness, to anybody looking at this, of an English language program not having a KPI to learn English?

Andrew Kiley: Yes

Senator Reynolds: I understand the complexities of all of this—the fact that you didn't have the systems and processes and there were changes in the quality assurance process—but the basic absurdness, to any observer, including politicians, of that not being a KPI needs to be addressed

Andrew Kiley: And Ms Mond can take you through the KPIs that are in

Senator Reynolds: We don't need to do that now, but I'm happy to get that on notice

**Answer:**

The Agreement that was established in 2017 by the then Department of Education and Training (DET) had four KPIs.

## Key Performance Indicators (KPIs) - AMEP General Services & Distance Learning

|                               |  |   |
|-------------------------------|--|---|
| <b>1. Participation</b>       | Number of AMEP Clients who are assessed as eligible in AMEP who commence in the program.             | 90% of eligible AMEP Clients who complete a Commencement Process and commence AMEP Learning Activities.                   |
| <b>2. Attainment</b>          | Client benefits from AMEP Learning Activities as measured by ACSF improvement.                       | Pre-employment stream<br>80% of clients, in the Pre-employment stream, attain one ACSF indicator per 200 hours of tuition |
|                               |  | Social stream<br>80% of clients, in the Social stream, attain one ACSF indicator per 200 hours of tuition                 |
| <b>3. Data Timeliness</b>     | Data is recorded and reported in a form required by the Commonwealth within the required timeframes. | 95% of data is recorded and reported in a form required by the Commonwealth within the required timeframes.               |
| <b>4. Accurate Assessment</b> | AMEP Client assessment is accurate in accordance with the ACSF.                                      | 80% of client assessment outcomes are accurate against the ACSF.  |

KPI 1 (client participation) remains in use.

KPI 2 (attainment) and KPI 4 (accuracy of attainment assessment) were initially paused during COVID-19 to enable a focus on client engagement and retention. KPI 2 was subsequently replaced by the collection of Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) data. For this reporting, client progression is measured by curriculum unit achievement according to the AVETMISS data, which is mapped to the Australian Core Skills Framework (ACSF). This approach removed duplication of assessment and is consistent with recommendations from the Social Compass evaluation.

This arrangement remains in effect for the remainder of the agreement. It was initially formalised with service providers in November 2021 via administrative advice, and since May 2023 has been documented within the Service Provider Instructions, which form part of the agreement. In both 2022-23 and 2023-24, this data showed that 89 per cent of clients achieved English language progression. From 1 January 2026, the EAL Framework will be the national curriculum for the AMEP. This will provide national consistency for AMEP delivery.

KPI 3 (data timeliness) was never used. It was reliant on the delivery of a new IT management system. Records indicate the IT management system, Skills Hub Administration and Reporting Portal (SHARP), was intended to replace legacy systems for both the AMEP and the Skills for Education and Employment (SEE) program. At the time of the machinery of government changes that transferred the AMEP from DET to the Department of Home Affairs in July 2019, SHARP had not been implemented. The Department has continued to manage the AMEP with the legacy system, the AMEP Reporting and Management System (ARMS). The Department is developing a new IT system for the AMEP that will be implemented from 1 January 2026.

The Department has supplemented the use of KPIs as a performance measure with comprehensive client surveys undertaken in 2022, 2023 and 2024. The surveys had high response rates and very positive results. In 2024, 90 per cent of students surveyed reported they had improved their reading and listening skills, 89 per cent had improved their speaking skills and 85 per cent had improved their writing skills. Full survey results are available on the department's website and in response to Question on Notice 4.

The Department has developed a new Performance Management Framework for the future AMEP contract arrangements, underpinned by the introduction of AMEP Quality Guidelines and Standards. This performance framework includes revised KPIs with measures for participation, learning outcomes, pathway guidance, data timeliness and service quality.

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**13 November 2024**

**QoN Number: 6**

**Subject: Measuring performance of AMEP service providers**

**Asked by:** Brian Mitchell

**Question:**

The Hon Brian Mitchell: My other point was whether there is a view in the department as to which providers is doing the best job. Is anybody measuring who is closest to best practice?

Andrew Kiley: We certainly do measure that, as Ms Mond was saying, and have our views within the department. If you wouldn't mind us taking that on notice, as to what we would provide publicly around the relative performance of our providers, we'll see what we can provide on that

Senator Reynolds: We asked for a table—I can't remember the table number now—that unpacks that. You've got the average performance across all providers—sorry, table 3.1—but they'll provide it in a breakdown by providers. If it's confidential, we won't release it publicly, but if you can do a public version that will be great

Andrew Kiley: We'll see what we can provide

**Answer:**

The Department of Home Affairs (the department) measures performance of AMEP service providers in two key areas:

- client participation (KPI1 – 90% of eligible clients who complete an initial AMEP assessment or are referred to AMEP Distance Learning actually commence in the program within 6 months); and
- client progression/attainment (KPI2 – 80% of clients in Pre-Employment and Social English Streams attain one Australian Core Skills Framework (ACSF) indicator per 200 hours of tuition).

The department paused KPI2 in the early stages of the COVID-19 Pandemic in 2020 in response to restrictions and to allow service providers to focus on client retention and engagement. The department took the opportunity to trial a new approach for measuring client progression, by capturing Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) unit completion data which was then mapped against the ACSF. This approach is

consistent with recommendations from the Evaluation of the AMEP New Business Model undertaken by Social Compass in 2019. This arrangement remains in effect for the remainder of the Agreement as a proxy for KPI2.

For KPI1, in 2023-24:

- 93% of clients completed a commencement process and commenced AMEP learning activities within the requisite timeframes
- One out of 13 general service providers fell below the benchmark (achieving 89%).

For KPI2 proxy, in 2023-24:

- 89% of clients achieved English language progression.
- Three out of 13 general service providers fell below the benchmark (achieving 70%, 78% and 79%).

The department regularly monitors provider performance against these measures and works closely with service providers that have not met the KPI.

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**13 November 2024**

**QoN Number: 7**

**Subject: Quality assurance budget during COVID**

**Asked by:** Lisa Darmanin

**Question:**

Senator Darmanin: This is on the shift to COVID. The change to KPIs during COVID, as I understand it, are the budget went down for quality assurance by 63 per cent and that money was redirected to additional program delivery during COVID. The two KPIs around educational outcomes and accuracy of provider assessments were also dropped as a result of COVID. Have I got those two things right?

Andrew Kiley: I think that is generally correct. We might take on notice, if there are any adjustments to make to that, as to whether the percentage spent on quality assurance went down or whether the budget was increased, which meant that the amount spent on QA was the same but as a percentage of the overall spend it went down.

**Answer:**

A response on the KPIs has been provided under IQ24-000253.

IQ24-000273 outlines the Quality Assurance (QA) budget from 2017-18 to 2024-25.

The QA budget during COVID was not decreased or increased. The QA Agreement was utilised to support the delivery of services and sudden change in modes of program delivery as part of the department's COVID-19 response, through existing Agreement mechanisms, which enabled the delivery of Program Delivery Documents. This included:

- designing software to support AMEP Interim Measure reporting, utilising the Curriculum, which supported the department with monitoring for KPI2.
- conducting a Digital Literacy Skills Framework (DLSF) Initial Assessment trial to report on capturing of digital literacy in the AMEP.
- establishing the Curriculum Community of Practice, for the Certificates in Spoken and Written English (CSWE) and English as an Additional Language (EAL) Framework, to support teachers and assessors in their delivery of the curriculum.

- managing Student Performance Moderation Sessions, for the CSWE and EAL Framework, to provide a range of student sample performances that demonstrate competency in an element, within a unit of competency
- conducting an AMEP Training Needs Analysis Survey to inform the professional development needs of the field for 2021-22 financial year.
- collaborating with the department to conduct AMEP client focus groups and individual interviews for reporting on client satisfaction with the program.
- digitising a selection of assessments on the Assessment Task Bank to support virtual delivery.
- establishing the AMEP Virtual Hub to house all resources, videos, workshop recordings, and good news stories.

As outlined in the ANAO Report (Table 4.2), following COVID the department resumed the standard quality assurance activities. From 2022-23, 100% of planned QA activities have been delivered.

In 2024-25, in response to the ANAO's recommendations, AMEP QA services have been further refocused to increase both onsite and offsite QA assessments.

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**13 November 2024**

**QoN Number: 8**

**Subject: Participant survey results**

**Asked by:** Lisa Darmanin

**Question:**

Ali Mond: What I would say is that the measure that we've already spoken about has been consistent. But, as well as that, from 2022 we've complemented that with very comprehensive client surveys—we've received annual data now for the last three years—that have also consistently had very positive results. This is clients self-assessing their improvement. In the most recent ones, in 2024, 90 per cent said they'd improved their reading and listening skills, 89 per cent their speaking skills and 85 per cent their writing skills. Importantly, 92 per cent per said they would recommend the AMEP to others; 94 per cent said that the AMEP helps them understand Australian culture. We can provide the full survey results on notice, but they have been overwhelmingly positive, and those results have been very consistent, over the last three years, so that data has also complemented the progression of English that we have been capturing through that time as well.

**Answer:**

The annual AMEP Client Satisfaction Survey (Client Survey) results for the last three years, 2022, 2023 and 2024, are attached. The Client Survey results are also made publicly available on the Department of Home Affairs website at <https://immi.homeaffairs.gov.au/settling-in-australia/amep/about-the-program>.



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**13 November 2024**

**QoN Number: 9**

**Subject: Invoice verification processes**

**Asked by:** Lisa Darmanin

**Question:**

Senator Darmanin: I have another question on a different topic. In the ANAO report, the invoice verification processes were found not to be significantly robust. I assume that there are improvements being made around that now. But my question is, since receiving the report, has the department investigated whether this lack of robustness in the verification program has led to any financial losses or instances of fraud?

Ali Mond: Yes, we have investigated and we haven't found any instances of fraud. I don't have this in front of me, so we might have to come back on notice with the exact figure, but we did find that there were some discrepancies, which were reported to the ANAO during this process. In 2022-23 it was around \$4,000 in that program year, of roughly \$300 million, where there had been a payment discrepancy that had come from either an underpayment or overpayment in the system.

**Answer:**

There have been no identified cases of financial fraud related to invoice verification processes.

In 2022-23, as part of routine finance quality assurance processes, there was a net over payment variance of AMEP invoices of \$4,309 identified. This variance was due to data being entered by service providers after cut-off dates. The overpayment of \$4,309, compared to AMEP actual expenditure of \$317 million in 2022-23, represents a minor deviation.

The department has reinstated a system locking function in the AMEP Reporting and Management system (ARMS) to minimise late data posting by service providers, which will mitigate the risk of data variances such as this.

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**13 November 2024**

**QoN Number: 10**

**Subject: Broader lessons learnt from AMEP and OSB contract audits**

**Asked by:** Linda Reynolds

**Question:**

Senator Reynolds: Coming back to Ms O'Neale—if you could perhaps take this on notice—could you provide some more information, in terms of some of the broader lessons learnt and how those are being implemented in other major contracts? Two that we've looked at recently are obviously this program, the AMEP, but also the OSB contracts, which are both, again, out... I'd like answers particularly in relation to those two but also, if you're doing it, you'll be doing it for other contracts as well, so if you can tell me those higher-term reflections and specifics of how you have changed the process

**Answer:**

Driven by recent audits, and in part by whole-of-government procurement policy initiatives, the Department of Home Affairs (the Department) has implemented a number of procurement process improvements, listed under key themes:

Contractual Policy, Guidance and Templates

- Reviewed contract terms and conditions to strengthen the link of the payment of fees and charges, and performance management frameworks to the delivery of services and assets.
- Increased thresholds for performance expectations in the performance and contract management frameworks to include discretion to contest or make allowances for underperformance have been removed and stronger assurance management practices are requirements for the monitoring of the performance of services.
- Updated documentation to reflect changes to the CPRs and changes to Government policy, and communicated all changes to staff. Examples include clauses related to the Protective Security Policy Framework, Significant Events reporting, and the Supplier Code of Conduct.
- Updated its Contract Management Framework and Contract Management Manual to provide an overarching consistent approach to contract management and support the appropriate governance, capability, risk and financial

management mechanisms to ensure contracts are managed effectively and efficiently.

- Commissioned an Independent Procurement Review to examine whether the Department's procurement policies, guidance and processes are best practice and Fit-for-Purpose, focusing on integrity and ethical decision-making, probity, due diligence and legal issues, procurement and contract management uplift, and risks and challenges.

### Training

- Created a Procurement and Contract Management Learning Framework to provide a consistent approach to strengthen capability in these areas, including job role profiles for procurement and contract management officers to identify role-specific skills and knowledge. A minimum Certificate IV in Procurement and Contracting or equivalent is mandated for officers who occupy these job role profiles.
- Provided in-house learning courses around procurement obligations so officials understand their responsibilities as decision-makers in procurement processes; an overview of procurement, including legislation, procurement policies and guidance, procurement thresholds, approaching suppliers, documentation and payment; and responsibilities as a contract manager.
- Offered a Contract Management 101 course aimed at providing staff of all levels who manage contracts on a day-to-day basis with a broad overview of the key elements of contract management.
- Completed Intelligence, Information and Disclosure 101 training by officials in the Department's central procurement area to understand and support protocols for lawfully sharing law enforcement and intelligence information between agencies, which will inform procurement and contracting decisions.

### Assurance

- Increased due diligence checking through contract provisions to validate tenderers' claims and reduce integrity risks, and specifically address some of the current risks and issues including performance history, and performance measurement systems.
- Established a regular program of internal audits and assurance activities that focus on record keeping practices and probity management while procurement processes are underway, providing the opportunity for the early identification and rectification of any issues and concerns.

### Adult Migrant English Program & Civil Maritime Aerial Surveillance

Specifically, in relation to the Adult Migrant English Program (AMEP) and Civil Maritime Aerial Surveillance Contracts, actions taken are outlined below. This is not an exhaustive list and actions relate to existing arrangements where relevant, and to replacement contract documentation where indicated.

## Adult Migrant English Program

| Key Themes  | Action Taken  |
|---|---|
| Performance Management Framework, Measurement and Monitoring. | <ul style="list-style-type: none"> <li>• Supplementation of existing KPIs.</li> <li>• A new Performance Framework has been developed for the future AMEP contract arrangements.</li> </ul>  |
| Quality Assurance Processes – design, contractual management  | <ul style="list-style-type: none"> <li>• Refocused quality assurance services through the QA Provider’s Annual Plan, including significant increases to assessments.</li> <li>• AMEP Quality Guidelines and Standards will underpin the new Performance Framework.</li> </ul>   |
| Record Keeping  | <ul style="list-style-type: none"> <li>• Continued maintenance of Master Contract Tracking Register and establishment of a “Master Version of the contract in accordance with the Department’s Contract Management Manual.</li> </ul>   |
| Value for Money Consideration in Contract Extensions          | <ul style="list-style-type: none"> <li>• Process review to ensure that decision records on all contract variations include a clear statement and conclusion on value for money.</li> </ul>  |
| Transition Planning   | <ul style="list-style-type: none"> <li>• Current RFT for future contracts supports effective transition processes and introduces detailed Transition In and Transition Out requirements within the Services Agreement and Statement of Requirement.</li> </ul>  |
| Financial Assurance/Invoice Verification                      | <ul style="list-style-type: none"> <li>• Financial risk assessment completed with treatments and controls.</li> <li>• New data reconciliation process.</li> <li>• Greater focus on financial reporting to ensure data completeness and accuracy.</li> <li>• In progress – an integrated AMEP specific financial framework.</li> </ul> |
| Probity   | <ul style="list-style-type: none"> <li>• Probity Plan developed for the existing contracts and will be in place for the new contract, consistent with Departmental policy.</li> </ul>   |

### Civil Maritime Aerial Surveillance

| Key Themes   | Action Taken   |
|--|--|
| <p>Inadequate Performance Management Framework and Monitoring of Performance</p> | <p>Performance management in the new contract strengthened by:</p> <ul style="list-style-type: none"> <li>• Better aligning delivery of services to provisions in the contract and linking payments.</li> <li>• Reducing discretion or allowances for underperformance.</li> <li>• Increasing the performance notification.</li> </ul> |
| <p>Stronger Assurance Processes (current contract)</p>                           | <p>Arrangements in place:</p> <ul style="list-style-type: none"> <li>• 24/7 engagement and active monitoring.</li> <li>• Enhanced reporting of mission performance and proactive contract management and governance.</li> <li>• Engagement of specialist surveillance officers for monitoring.</li> </ul>                              |
| <p>Sub Optimal Record Keeping</p>  | <ul style="list-style-type: none"> <li>• Record keeping chronology protocol established.</li> <li>• Improved AusTender process.</li> <li>• Financial compliance audit of payments.</li> <li>• Introduction of Vendor Invoice Management System.</li> </ul>   |
| <p>Financial Assurance/Invoice Verification/Payment</p>                          | <ul style="list-style-type: none"> <li>• Financial compliance audit of payments.</li> <li>• Contractual provisions strengthened to link payment to the provision of service delivery.</li> </ul>   |

**HOME AFFAIRS PORTFOLIO  
DEPARTMENT OF HOME AFFAIRS**

**PARLIAMENTARY INQUIRY SPOKEN QUESTION ON NOTICE**

Joint Committee of Public Accounts and Audit

Inquiry into the contract management frameworks operated by Commonwealth entities

**13 November 2024**

**QoN Number: 11**

**Subject: Ensuring probity is maintained**

**Asked by:** Linda Reynolds

**Question:**

Senator Reynolds: You've got 13 current contractors and the OSB contract and you've got current contractors who are retendering. How do you make sure that absolute probity is maintained, so they don't get an advantage just through simply knowing and having access and contact?

**Answer:**

Departmental officials who are involved in procurement processes are required to act at all times to avoid actual, potential or perceived conflicts of interest, including where a conflict of interest might prejudice, or be seen to prejudice, their fairness and impartiality. In order to avoid perceptions of bias, and ensure all submissions are given fair and equal consideration, officials in the Department:

- design a set of requirements and contract that reflects future services required, which may be different to the incumbent contractual requirements;
- ensure each staff member involved in the procurement process has undertaken a probity briefing, including external advisors;
- comply with the procurement steering committee endorsed and delegate approved Probity Plan, inclusive of completing a conflict of interest declaration and confidentiality form, and declare any actual, potential or perceived conflicts of interest;
- prepare a management plan to inform the delegate how a conflict of interest will be managed or cannot be managed, when declared. This may include a recommendation that an individual have no further involvement in the process;
- proactively check if there are any changes to conflict of interest declarations throughout the procurement process including at procurement steering committee meetings;
- engage an external probity advisory with legal qualifications for high risk high value procurements, which is mandated;

- accurately maintain probity registers;
- when in a procurement process or there is a process planned, provide a clear statement prior to any meetings with current service providers to advise:
  - any procurement process will not be discussed;
  - questions about any current procurement process must be referred to the Department's tender contact officer;
  - information about any future procurement opportunities can be obtained from AusTender; and
  - ensure the meeting is appropriately documented;
- ensure all suppliers have access to the same information, including the statement of requirement and tender response form and assess each submission in accordance with the procedure and criteria outlined in the approach to market documentation; and
- prepare an evaluation report to document the evaluation process and outcomes for each submission, including the decisions made and their reasons, and provide recommendations for delegate endorsement.

**HOME AFFAIRS PORTFOLIO  
DEPARTMENT OF HOME AFFAIRS**

**PARLIAMENTARY INQUIRY SPOKEN QUESTION ON NOTICE**

Joint Committee of Public Accounts and Audit

Contract management frameworks operated by Commonwealth entities

**13 November 2024**

**QoN Number: 12**

**Subject: Barriers to entry for new entrants where there are longstanding contracts**

**Asked by:** Linda Reynolds

**Question:**

Senator Reynolds: How you are dealing now with the barriers to entry that new players can have, particularly when you've got longstanding contracts, and how are you dealing with changing the culture and processes, because these are both long-term contracts?

**Answer:**

In accordance with the *Commonwealth Procurement Rules 2024* (CPRs), competition is a key element of the Australian Government's procurement framework, and all procurement processes undertaken in the Department of Home Affairs (the Department). Departmental processes include the following actions to ensure there are no barriers to entry:

- encouragement of market research and early engagement with potential suppliers to allow the Department to have a sound understanding of the size, composition and nature of supply markets, and to keep up-to-date with new developments and ideas, as well as emerging technologies to help the Department achieve better value for money outcomes;
- engagement with subject matter experts and consultation with other agencies to better understand the market being approached;
- employment of two-stage procurement approaches (where appropriate) to seek feedback from prospective tenderers to inform the design of a tender, and provide information the Department may not have considered without engaging the market;
- provision of adequate time for prospective tenderers to respond to tenders and conducting industry briefings to provide additional context;
- comparison of tendered solution costs exclusive of transition costs. Transition costs are assessed to ensure overarching value for money, however by considering these costs separately, incumbent providers are not given an advantage; and



- strict controls on engagement once procurement documentation is in the market, to ensure all potential providers are treated equally and fairly, including:
  - officials only participating in routine BAU meetings with incumbents, with all questions about the future procurement referred to the relevant contact officer;
  - all meetings being minuted;
  - the probity advisor or an independent person attending BAU meetings; and
  - reviewing email groups to ensure incumbent providers do not have inappropriate access to information relating to the tender.

The Department has a range of measures in place to improve its culture and processes in relation to procurement and contract management. A number of these have been outlined in QoN Number 10, and are not repeated here. To sense check our arrangements, on 28 March 2024, the Secretary commissioned a review into the Department's procurement and contract management practices, by Mr David Tune AO PSM. He examined whether the Department has addressed recommendations made through audits and appearances before Parliamentary Committees. The focus of the review was to assess whether the Department's procurement policies, guidance and processes are best practice and fit for purpose, focusing on integrity and ethical decision-making; probity, due diligence and legal issues, procurement and contract management uplift, and risks and challenges.

The review formally concluded on 5 September 2024. The findings confirmed that the Department's procedures, frameworks and guidance are sound and in accordance with best practice and the High Risk High Value (HRHV) procurement process is very comprehensive, and necessarily so.

The review did make some recommendations for the Department to continue to improve:

1. Enhance governance arrangements
2. Increased investment and allocation of resourcing
3. Clarify responsibility for HRHV procurements.

The following actions are being undertaken to address the Review's three recommendations:

1. a procurement and contract management stocktake to determine existing resources allocated to these functions and to optimise their use through centralisation, where appropriate;
2. a review into the current procurement operating model to ensure it reinforces and supports the findings of the review; and
3. the establishment of a Deputy Secretary chaired Governance Committee as the final decision point on all HRHV procurement and contract management activities, to drive from the top down, the importance of procurement and contract management functions for departmental outcomes.

**HOME AFFAIRS PORTFOLIO  
DEPARTMENT OF HOME AFFAIRS**

**PARLIAMENTARY INQUIRY WRITTEN QUESTION ON NOTICE**

Joint Committee of Public Accounts and Audit

Contract management frameworks operated by Commonwealth entities

26 November 2024

**QoN Number: 13**

**Subject: Procurement processes and plans to replace existing AMEP contracts**

**Asked by:** Linda Burney

**Question:**

What are the procurement processes and plans to replace the existing AMEP contracts, which were due to expire at the end of 2024?

a. Did you depart from the Australian Government Contract Management Guide to any extent with these contracts and what were the reasons for this?

**Answer:**

The Department of Home Affairs (the department) has extended the Deed of Standing Offers under the Panel (the Agreement) to 31 December 2025, through an extension by variation process. Additionally, the department has entered into new Work Orders (contracts) for services until 31 December 2025, under the existing Panel to enter into individual contract arrangements (Work Orders) on a periodic basis. Under the Commonwealth Procurement Framework, the department may enter into new Work Orders (contracts) until the expiration of the Deed, provided the Work Orders represent value for money.

Following a value for money assessment (which considered the value for money assessment undertaken as part of the original tender process), the department executed the Deeds of Variation to the Agreement in line with section 2.13 of the Australian Government Contract Management Guide (CMG). This section provides that if entities do not meet the conditions for contract extension, there may be options to extend a contract by contract variation, before the contract end date, for a short period of time where the procurement process for a replacement contract is still ongoing and continuity of the supply of goods or services is essential.

The Request for Tender (RFT) for the provision of AMEP services from 1 January 2026, under AusTender reference HOMEAFFAIRS/2165/RFT, was released on 9 September 2024, and closed on 22 November 2024. This open market procurement is following a High Risk, High Value procurement process, which is subject to rigorous scrutiny and additional project assurance checks, approval processes and governance.

Separately, HOMEAFFAIRS/2166/RFT for the provision of Adult Migrant English Quality Assurance Services and HOMEAFFAIRS/2167/RFT for the provision of Adult Migrant English Academy Services were released on AusTender on 20 November 2024.

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**PARLIAMENTARY INQUIRY WRITTEN QUESTION ON NOTICE**

Joint Committee of Public Accounts and Audit

Contract management frameworks operated by Commonwealth entities

26 November 2024

**QoN Number: 14**

**Subject: Contract variations**

**Asked by:** Linda Burney

**Question:**

How will the department improve its consideration of value for money in the future when making decisions about contract variations?

**Answer:**

The Department of Home Affairs (the department) has comprehensive processes to assess value for money throughout the procurement lifecycle. This includes standard templates and guidance materials to assist officials in assessing value for money. The department has a Contract Management Framework and Manual to support contract management best practice, including re-assessment of value for money when undertaking a contract variation/extension.

The department has accepted the Australian National Audit Office's feedback on strengthening the decision-making records around value for money assessments undertaken in relation to the AMEP. The department has reviewed its process to ensure that decision records on all contract variations include a clear statement and conclusion on value for money.

A value for money assessment will be produced as an outcome of the current AMEP Request for Tender processes, and will be utilised when considering any future variations to resultant AMEP Contracts.

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**PARLIAMENTARY INQUIRY WRITTEN QUESTION ON NOTICE**

Joint Committee of Public Accounts and Audit

Contract management frameworks operated by Commonwealth entities

26 November 2024

**QoN Number: 15**

**Subject: Quality assurance**

**Asked by:** Linda Burney

**Question:**

For 2023–24, the department decided that 15 per cent of the budget for the provider would be spent on quality assurance work, down from 78 per cent in the first year of the contract.

- a. How could the quality of services being delivered to students have been effectively monitored with such a change in the budget allocation?
- b. What was the rationale for that decision and what was the provider being primarily funded to do instead?
- c. What are the department's plans for quality assurance under the new contracts?

**Answer:**

***a. How could the quality of services being delivered to students have been effectively monitored with such a change in the budget allocation?***

The quality of services being delivered to students was monitored via client file verifications, onsite quality assurance assessments, Settlement Language Pathways to Employment and Training (SLPET) files reviews and other QA activities (as listed below).

In 2023-24, a total of 812 client files and 150 SLPET files were audited across all AMEP providers and contract regions, and 14 onsite quality assurance assessments were undertaken. 100% of planned QA activities were delivered.

***b. What was the rationale for that decision and what was the provider being primarily funded to do instead?***

In 2023-24, after careful consideration of priorities, the Department of Home Affairs (the department) decided to maintain QA client file verification activities at 2022-23 figures. 2023-24 QA provider activities included:

- Client file verifications

- Onsite QA assessments
- SLPET file audits
- Internal moderations and appeals
- Unit enrolment and completion reporting (to measure client English progression)
- Client satisfaction survey
- Assessment Task Bank management
- Virtual Hub management
- National Communities of Practice management
- Professional development workshops for AMEP teachers
- Curriculum projects:
  - Reworking English as an Additional Language (EAL) Assessment Tasks on the Assessment Task Bank
  - Mapping the EAL Framework to the Australian Core Skills Framework
  - Developing Certificate 1 in EAL core units
- AMEPOnline (hosting and additional content).

Alongside these activities, funds were available for QA focused projects which supported the transition to a national curriculum and development of content for the re-launched AMEPOnline, whilst also ensuring that every contract region was audited.

***c. What are the department's plans for quality assurance under the new contracts?***

The department has developed a new Performance Management Framework for future AMEP contract arrangements. The Framework will be underpinned by the introduction of AMEP Quality Guidelines and Standards, to ensure AMEP services are high quality and client outcomes are optimised.

The range of quality assurance activities that will be undertaken for future contracts are set out in detail in the AMEP Quality Assurance Services Request for Tender (HOMEAFFAIRS/RFT/2166) released on 20 November 2024. It includes:-

- developing and maintaining the AMEP Quality Guidelines and Standards
- developing and delivering an AMEP Quality Assurance Annual Plan
- conducting annual AMEP Quality Assurance Assessments, including of all AMEP Service Providers against the AMEP Standards through a site visit to each AMEP contract region (23 contract regions) once per financial year, and including desktop and onsite review of related service provider records and client documentation
- conducting two risk-based deep dive reviews per year, as detailed in the approved Quality Assurance Annual Plan, or if requested by the Department
- undertaking an annual body of financial assurance work and up to three financial assurance reviews per year, planned in advance or triggered by emerging risks
- undertaking internal moderation to ensure consistency of the quality assurance process.