

JOINT SELECT COMMITTEE ON AUSTRALIA'S IMMIGRATION DETENTION NETWORK

Q150

Question: I wonder if you could explain to us the reasoning and the decision on that; why that procurement method was adopted, as opposed to the alternatives: who made that decision and the circumstances surrounding it generally?

Answer: The department had an urgent need for alternative accommodation for both families and unaccompanied minors as the Christmas Island facilities were at capacity.

As a result, the department investigated a number of accommodation options which included the Darwin Airport Lodge (DAL). The DAL required no capital outlay and no additional maintenance, catering, cleaning or utility costs as the owner covers all these costs. Additionally, the DAL presented an opportunity to accommodate a significant number of clients in one location rather than fragment clients around Australia.

In October 2010, the department announced a Defence site, known as 11 Mile Antenna Farm in Darwin, would be a contingency site for detention purposes. The NT Government opposed the use of this land as they had an interest in the site to address an acute shortage of residential housing in Darwin. The department gave an undertaking that it would work with the NT Government and look at other sites.

The department was advised that a development at Wickham Point had been approved by the NT Government for a construction workers camp. Due to the urgent need for further accommodation the department entered into an arrangement with the developer on a direct sourcing basis.

The Chief Financial Officer approved:

- an exemption from the Mandatory Procurement Procedures for both agreements. This was approved, as the Mandatory Procurement Procedures do not apply to "*leasing or purchase of real property or accommodation*". (Commonwealth Procurement Guidelines - item 1 of Appendix A: Exemptions from Mandatory Procurement Procedures)

and also approved

- direct sourcing due to the urgency for the facilities management services provided by the developer of Wickham Point. This was approved, as it satisfied the condition for direct sourcing "*for purchases made under exceptionally advantageous conditions that only arise in the very short term, such as from unusual disposals, unsolicited innovative proposals, liquidation, bankruptcy, or receivership and which are not routine purchases from regular suppliers*". (Commonwealth Procurement Guidelines, Division 2: Mandatory Procurement Procedures for Covered Procurements, Paragraph 8.33 (c))