

QUESTION TAKEN ON NOTICE

Parliamentary Inquiry : 25 November 2016

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(AGRP001) – Commonwealth Procurement, Auditor-General's Reports - Skills and Competency Framework -

Mr Hill Asked:

Mr HILL: I have a housekeeping matter to start with. With regard to the key overarching thing that I saw, which was a lack of skills and capability across the organisation, can you provide the committee with a copy of the skills and competency framework that has been developed to improve skills amongst relevant staff. You referred to it but we did not receive a copy in the submission. You can take that on notice if you like.

Ms Cargill: Certainly. It is currently under development. We are happy to provide versions of that framework.

Mr HILL: It is under development?

Ms Cargill: That is right. We are continuing to refine it. It will always be an evolving document, but we are happy—

Mr HILL: Is it a draft or is it an evolving document?

Ms Cargill: It is a continually evolving document. At the moment we are taking key elements of the framework and implementing them, so it will take a period of time to implement the framework, but we are happy to provide you with an outline.

Mr HILL: My reading of the submission said it had been developed.

Ms Cargill: The framework at a high level has been developed. Obviously, it will require some fleshing out and embedding in the organisation.

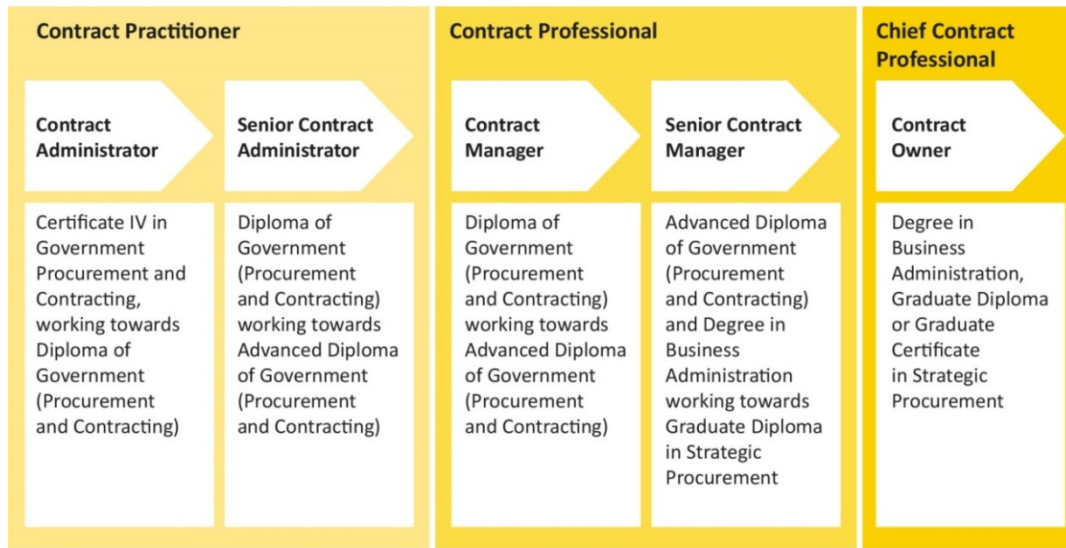
Mr HILL: So it has sort of been developed. If you could provide a copy—

Ms Cargill: Yes, we will provide it.

Answer:

A Contract Management Framework has been implemented in the Department's Detention Services Division and a high level diagram is provided at Attachment A. Elements of the Framework specifically relate to skills and capability of officers conducting these functions and the Contracts Profession Learning Pathway outlines the necessary competencies and skills required by staff to effectively manage complex contracts (see diagram below).

Contract (and Procurement) Profession Learning Pathway



Attachment A

DIBP Detention Services Division – Contract Management Framework

Commonwealth Procurement and Contracting Legislative Framework

Public Governance, Performance
and Accountability (PGPA) Act 2013

Public Governance, Performance
and Accountability (PGPA) Rule 2014

Commonwealth Procurement
Rule 2015

Department of Immigration and Border Protection Policy Framework

Accountable Authority Instructions
(AAIs)

DIBP Policies

DIBP Procedures

Detention Services Division Contract Management Framework

Contract Governance

Contract

Contract Governance Charter

Contract Management Plan

Contract Management

Risk Management

Contract Variation
and Amendment

Financial Management

Performance Management

Service Provider and
Stakeholder Management

Contract Review

Contract Administration

Internal Reporting

Information
Management

Service Provider
Administration

Financial Administration
and Reporting

External Reporting

Stakeholder
Administration

Compliance, Audit
and Review

Ordering and Receiving
Goods and Services

Contract Processes and Procedures

ICT Systems to Support Contract Management and Administration

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(AGRP002) – Commonwealth Procurement, Auditor-General's Reports - Why was Transfield selected as the service provider -

Mr Hill Asked:

Mr HILL: that would be very helpful. From your response and the reading of the report, there are very compelling reasons, as the audit office found in relation to the first phase of procurement—it was urgent that you got stuff happening within days, weeks and months and that seems to meet the Commonwealth procurement rules notwithstanding some of the issues identified. One question that springs to mind in the first phase: given the evidence suggests Transfield was not on a Defence procurement panel for garrison services, why was Transfield selected as the service provider?

Mr Hayward: I will let Mr Nockels, who manages those contracts, answer that.

Mr Nockels: At the time the department made the decision to go with Transfield my understanding is that they were on a Defence panel—that is, Transfield.

Mr HILL: Defence advised that it did not have such an agreement and there was no record of DIBP consulting with Defence. On what basis did you understand that they were on a panel?

Mr Nockels: That is the advice I have received.

Mr HILL: So it is corporate legend?

Mr Nockels: It is the advice I have received.

Mr HILL: There is no basis for the advice—just someone told you?

Mr Nockels: I can take that on notice and confirm that with you. But it is the advice I have received.

Answer:

At the time of contracting for the provision of garrison and welfare support services on Nauru and Manus, Transfield had several contracts with the Department of Defence for garrison, maintenance and infrastructure.

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**(AGRP003) – Commonwealth Procurement, Auditor-General's Reports -
Investigations into time delay creating TRIM -**

Mr Hart Asked:

Mr Hayward: The department takes integrity extremely seriously. Upon that advice from the ANAO, we referred that matter to our integrity and professional standards unit. That unit has been working closely with our cybersecurity team to forensically examine those files. The ANAO identified a total of 11 files of concern. They contained a total of 173 documents. To date, the department's review has found 154 documents across 10 of the TRIM files have no integrity issues. TRIM is our records management system.

In most cases there did appear to be a time delay between when the department first created certain documents identified by the ANAO and when they were uploaded into TRIM. However, whilst that was the case, the documents themselves were created prior to the finalisation of the procurement process. So, again, there were no integrity issues.

Investigations are continuing in relation to 19 documents within one single TRIM file. At this stage in that investigation, as I said, the cybersecurity team is being utilised to identify metadata around when the files were actually created. That remains outstanding for us.

Mr HART: Can I ask that you make available the results of that investigation once completed.

Mr Hayward: Certainly.

Answer:

This matter remains under investigation by Integrity and Professional Standards Branch and it is still too early to confirm details of the results.

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IMMIGRATION AND BORDER PROTECTION PORTFOLIO

**(AGRP004) – Commonwealth Procurement, Auditor-General's Reports -
Probity Advice -**

Mr Hart Asked:

Mr HART: I just want to clarify one aspect. My original question related to whether probity advice had been sought with respect of the initial decision—

Mr Nockels: Phase 1, I think.

Mr HART: not to proceed with Serco and then to proceed without any costing with respect of Transfield. Is it the position that there is simply no record of any probity advice having been obtained, or is it the case that there was no probity advice obtained?

Mr Nockels: I would have to take that on notice, but at this point in time we do not have a record of that. Unfortunately I was not part of that process at the time, which was some years ago.

Mr HART: Can you make some inquiries and report back?

Mr Nockels: We shall indeed. Obviously, part of the process that the ANAO conducted in terms of document search has not identified that documentation.

Mr Hayward: I think that is correct. The ANAO were not able to identify evidence of that. Of course we were trying to assist the ANAO throughout the audit, and we were unable to identify that piece of evidence either.

Answer:

The Department does not have a record of probity advice having been obtained in relation to the initial decision to set aside the Serco bid.

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**(AGRP005) – Commonwealth Procurement, Auditor-General's Reports -
Consolidating the contracts for Nauru and Manus -**

Ms King Asked:

Ms MADELEINE KING: Did the department ever consider consolidating the contracts for Nauru and Manus under G4S? And if this consideration was made, was there any record of it anywhere?

Mr Nockels: I am not aware of that. Again, it would be through that process of discovery that the ANAO conducted in terms of building a picture around that process of procurement. But I was not there at the time. I would have to take that on notice, but I am not sure if it was the case.

Ms MADELEINE KING: The ANAO makes reference to it, so you will see it when you go back and look at it. I am happy for you to take that on notice. Can the department explain why underperformance was cited in correspondence to Finance to obtain advice on moving to a single provider when both providers—the Salvation Army and G4S—were told the decision to consolidate contracts was not in fact based on contractor performance? You might want to take that on notice as well.

Mr Nockels: We will take that on notice. It is a long question, but we will get it through Hansard and respond to it.

Mr HILL: The gist of the question was that you told Finance one thing and you told the contractors another. It is confusing.

Mr Nockels: Yes. I will come back to you on that.

Answer:

The Department considered a number of suppliers for the provision of garrison and welfare support services on Nauru and Manus, including G4S, prior to the decision to consolidate the contracts with Transfield.

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**(AGRO006) – Commonwealth Procurement, Auditor-General's Reports -
Underperformance not cited to contractors -**

Ms King Asked:

Ms MADELEINE KING: The ANAO makes reference to it, so you will see it when you go back and look at it. I am happy for you to take that on notice. Can the department explain why underperformance was cited in correspondence to Finance to obtain advice on moving to a single provider when both providers—the Salvation Army and G4S—were told the decision to consolidate contracts was not in fact based on contractor performance? You might want to take that on notice as well.

Mr Nockels: We will take that on notice. It is a long question, but we will get it through Hansard and respond to it.

Mr HILL: The gist of the question was that you told Finance one thing and you told the contractors another. It is confusing.

Mr Nockels: Yes. I will come back to you on that.

Answer:

The Department's decision to move to a single provider, and thereby consolidating services, was to enhance value for money through the improvement of consistency, innovation, security and efficiency of service delivery. This decision was communicated to both service providers in writing on 12 December 2013.