

**SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
BUDGET ESTIMATES
19-20 OCTOBER 2020**

**Home Affairs Portfolio
Australian Federal Police**

BE20-017 - Contract with Black Swan

Senator Keneally asked:

Senator KENEALLY: Thank you to you and Deputy Commissioner McCartney, and to the secretary, on that subject. That is very helpful. In the time I have remaining, I would like to ask some questions about the AFP's contract with Black Swan. My understanding is that the AFP first engaged Paladin subsidiary Black Swan to provide security services in PNG in July 2017 and extended the contract in November 2018 and again in December 2019. When were you first aware that Craig Thrupp, a former managing director of Paladin, who the Department of Home Affairs had removed from a major contract due to his failure to follow a direction, was in fact a director of Black Swan dating back to July 2018?

Mr Kershaw: I can come back to you on that. My briefing is not as detailed with those dates. The contract ran from 1 July to 31 December and was the result of a direct approach to Black Swan.

Senator KENEALLY: It was a direct approach? So it wasn't an open tender?

Mr Kershaw: No, but my brief is that it was in accordance with the Commonwealth Procurement Rules. There was an extension option within that contract, and that was exercised after the services provided by Black Swan were assessed as meeting AFP's requirements in PNG. No further extension options remain in the current agreement, and we don't have any dealings with Black Swan Australia.

Senator KENEALLY: No, but they are the same individuals—Black Swan Australia and Paladin Holdings Pte Ltd. Mr Thrupp is a director of that. Paladin Holdings Pte Ltd purchased Black Swan; they are the sole owner as of 26 July 2018. Mr Thrupp was appointed a director of Black Swan a day later. In June 2020 it was sold again—to Mr Thrupp entirely; that is my understanding. Given that Mr Thrupp had been removed from a major contract by Home Affairs, I am trying to understand whether you were aware of that when these extensions were granted to Black Swan.

Mr Kershaw: I need to take that on notice to provide that detail.

Answer:

The AFP contracted Black Swan (PNG) Ltd, not 'Black Swan Australia'.

The relevant AFP officers were not aware of Mr Thrupp or his association with Black Swan until recent media reporting. The AFP was not aware Mr Thrupp had been removed from a contract with the Department of Home Affairs at the time the extension with Black Swan (PNG) was granted.