

From: s.22(1)(a)(ii)
To: s.22(1)(a)(ii)
Cc:
Subject: FW: Substituting Delegate Position [SEC=OFFICIAL:Sensitive]
Date: Wednesday, 12 February 2025 12:09:14 PM

OFFICIAL: Sensitive

As discussed the advice from Procurement Policy RE: HRHV delegate.

Regards,

s.22(1)(a)(ii)

s.22(1)(a)(ii)

Director, Immigration and National Security and Resilience – Account Manager
Procurement and Contracts Support Branch | Procurement, Property and Contracts Division
Chief Operating Officer (COO) Group
Department of Home Affairs
Ph: s.22(1)(a)(ii)
Email s.22(1)(a)(ii) @homeaffairs.gov.au

s.22(1)(a)(ii)

OFFICIAL: Sensitive

From: s.22(1)(a)(ii) @homeaffairs.gov.au>
Sent: Tuesday, 17 December 2024 2:23 PM
To: s.22(1)(a)(ii) @homeaffairs.gov.au>
Cc: s.22(1)(a)(ii) @homeaffairs.gov.au>; s.22(1)(a)(ii) @homeaffairs.gov.au>; s.22(1)(a)(ii) @homeaffairs.gov.au>
Subject: RE: Substituting Delegate Position [SEC=OFFICIAL:Sensitive]

OFFICIAL: Sensitive

Hi s.22(1)(a)(ii)

As you noted, the HRHV PI allows for the Financial Delegate to be a General Manager. Prior to this change occurring, please ensure the General Manager has sufficient delegation under the [Financial Delegation Schedules](#).

In regards to implementing this change, I recommend (once agreement has been reached between the GM and Associate Secretary) informing the steering committee (not just the CPO/CFO) whether that be at an upcoming SC meeting or via a minute. This minute should document the reasons for this change, noting the HRHV PI allows for a GM (or above) to be the financial delegate.

Kind regards,

s.22(1)(a)(ii)

Assistant Director, Procurement Policy and Professionalisation Section
Procurement and Contracts Support Branch | Procurement Property & Contracts Division
Chief Operating Officer Group
Department of Home Affairs
E: **s.22(1)(a)(ii)** [@homeaffairs.gov.au](mailto:s.22(1)(a)(ii)@homeaffairs.gov.au)

OFFICIAL: Sensitive

From: **s.22(1)(a)(ii)** [@homeaffairs.gov.au](mailto:s.22(1)(a)(ii)@homeaffairs.gov.au)>

Sent: Tuesday, 17 December 2024 12:04 PM

To: **s.22(1)(a)(ii)** [@homeaffairs.gov.au](mailto:s.22(1)(a)(ii)@homeaffairs.gov.au)>

Cc: **s.22(1)(a)(ii)** [@homeaffairs.gov.au](mailto:s.22(1)(a)(ii)@homeaffairs.gov.au)>; **s.22(1)(a)(ii)** [@homeaffairs.gov.au](mailto:s.22(1)(a)(ii)@homeaffairs.gov.au)>

Subject: FW: Substituting Delegate Position [SEC=OFFICIAL:Sensitive]

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Hi Procurement Policy Team

We have had a query from our Humanitarian Integration Settlement Program (HISP) procurement team around potentially substituting the current Delegate for the procurement.

The HISP procurement team are seeking guidance on potentially moving delegation for the HISP procurements from the Associate Secretary (Emma Cassar) to the new Group Manager, Immigration Policy (James Watson). The HRHV procedural instruction permits delegation for an HRHV procurement at the Group Manager level.

I think the part of the HRHV PI is:

3.4. HRHV Acquisition Phase requirements

3.4.1 The following requirements apply to any procurement that receives HRHV status unless the CPO has agreed otherwise, i.e. as part of a specific non-standard process:

a) Financial delegation for the procurement process will shift to the Business Area's respective Deputy Secretary, Deputy Commissioner or Group Manager (as per Part 3 of the Accountable Authority Instructions – Policy Statement (FM-4808)

The HISP procurement team have suggested a process where a minute from the FAS to the Associate Secretary (through the CPO/CFO, Ccing the GM). This would, of course, follow consultation with both

the GM and Associate Secretary (which is yet to occur). The benefit to the HISP procurement team would be reducing pressure on the Associate Secretary Cassar and allow one less HRHV clearance step.

We thought we would test the HRHV PI requirements with to see whether if this could be considered in accordance with the HRHV policy and what you would suggest as recommended approach to enact the change.

Kind regards

s.22(1)(a)

s.22(1)(a)(ii)

Assistant Director

Immigration, National Security and Resilience Group – Account Manager

Procurement and Contracts Support Branch | Procurement, Property and Contracts Division

Chief Operating Officer (COO) Group

Department of Home Affairs

Mobile: s.22(1)(a)(ii)

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Australian Government

Department of Home Affairs



The Department of Home Affairs and the Australian Border Force acknowledge the Traditional Custodians throughout Australia and their continuing connection to land, sea and the community. We pay respect to all Aboriginal and Torres Strait Islander peoples, their cultures and to their Elders past and present.

From: s.22(1)(a)(ii)
To: s.22(1)(a)(ii) ; Peter MANWARING
Cc: s.22(1)(a)(ii) ; s.22(1)(a)(ii) s.22(1)(a)(ii) ; s.22(1)(a)(ii) ; s.22(1)(a)(ii) ; s.22(1)(a)(ii)
Subject: RE: Nauru Facilities, Garrison, Transferee Arrivals and Reception Services Contract Extension [SEC=OFFICIAL:Sensitive]
Date: Friday, 13 June 2025 5:55:46 PM
Attachments: [12. Approved - MTC Contract Extension FY2024-25 and 2027-28 - Funds Availability Assessment - P2.4.pdf](#)
[Group Manager Approval Minute - MTC Services Contract Extension Final- AFM12.6.25.docx](#)
[Attachment A - Strategic Procurement Delegate Approval - MTC Extension AFM 12.6.25.DOCX](#)
[MTC contract summary - AFM 12.6.2025.xlsx](#)

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Hello s.22(1)(a)(ii) and Peter,

Please find attached the following documents with the updates and our comments, in line with our discussion yesterday:

- Funds Availability Assessment
- Group Manager Approval Minute – MTC Services Contract Extension Final
- Attachment A – Strategic Procurement Delegate Approval – MTC Extension

Also attached is the MTC contract summary for the current and revised contract value (both GST excl. and GST incl.) for your reference.

Apologies for the delayed response.

Thank you.

s.22(1)(a)(ii)

A/g Director, Administered Financial Management
 Administered Financials Management
 External Budgets and Revenue Branch | Finance Division
 Chief Operating Officer Group
 Department of Home Affairs
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From: s.22(1)(a)(ii)@homeaffairs.gov.au>
Sent: Thursday, 5 June 2025 2:00 PM
To: s.22(1)(a)(ii)@homeaffairs.gov.au>; s.22(1)(a)(ii)

s.22(1)(a)(ii)@HOMEAFFAIRS.GOV.AU>; s.22(1)(a)(ii)@homeaffairs.gov.au>
Cc: Peter MANWARING s.22(1)(a)(ii)@homeaffairs.gov.au>; s.22(1)(a)(ii)
@homeaffairs.gov.au>; s.22(1)(a)(ii)
@homeaffairs.gov.au>

Subject: Nauru Facilities, Garrison, Transferee Arrivals and Reception Services Contract Extension
[SEC=OFFICIAL:Sensitive]

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Good afternoon

This is to advise you of the Department's intent to extend the contract with Management Training Corporation Australia (MTC) for the delivery of Facilities, Garrison, Transferee Arrivals and Reception Services on Nauru.

The current contract ends on 30 September 2025, however notification of the extension is required to be provided to MTC by the end of June 2025.

Regional Processing Contracts Section has prepared documentation for the delegate to consider the extension for an additional two years. The relevant documents attached are provided for your information and comment prior to sending to the delegate.

If you have any comments or concerns please provide them to myself or s.22(1)(a)(ii) at s.22(1)(a)(ii)@homeaffairs.gov.au by 10 June 2025.

Regards,
s.22(1)(a)(ii)
Director, Regional Processing Contracts
Regional Processing Enabling Branch
Regional Programs Division
Immigration Programs | Immigration Group
Department of Home Affairs
M:s.22(1)(a)(ii)
E: s.22(1)(a)(ii)@homeaffairs.gov.au

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Minute

To: Group Manager, Immigration Compliance Group

Cc: Chief Procurement Officer, Procurement, Property and Contracts Division
Chief Finance Officer, Finance Division
Chief Risk Officer, Executive Coordination Division
First Assistant Secretary, Disputes & Corporate Law Division

Date: 16 June 2025

Ref No: ADD2025/3730128

High-Risk High Value (HRHV) Contract Extension Nauru Facilities, Garrison, Transferee Arrivals and Reception Services Contract

Timing

As soon as possible and by no later than 20 June 2025, in order to complete the contract extension process with Management & Training Corporation Pty Ltd (MTC) by 30 June 2025, including obtaining approval from the Government of Nauru (GoN).

Purpose

To:

1. Seek your approval to exercise the option to extend the Nauru Facilities, Garrison, Transferee Arrivals and Reception Services Contract (the **Contract**) with MTC for a further 24 months from 01 October 2025 to 30 September 2027 for the continued provision of services in Nauru.
2. Seek your approval and signature on the attached PGPAAs.23 Approval document (**Attachment A**):
 - a. As the relevant Departmental PGPAAs.23 (1) Delegate, the extension of the Contract from 01 October 2025 to 30 September 2027; and
 - b. As the relevant Departmental PGPAAs.23 (3) Delegate, to increase the value of the Contract by \$364,715,229.60 (GST inclusive), resulting in the new total Contract value of \$786,545,654.20 (GST inclusive).

Background

3. MTC commenced delivery of Garrison, Transferee Arrivals and Reception Services on Nauru on 01 October 2022 under a Letter of Intent. The final contract was signed in January 2023 (easySAP

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number 70032611), with an initial expiry date of 30 September 2025, reflecting three years since the commencement of services.

4. The Contract is currently valued at \$421,830,424.60 (GST inclusive), and there have been no variations to the contract to date.
5. The Contract contains options to extend for up to three (3) further periods not exceeding three years in aggregate.
6. The Department intends to extend the contract for two years at this time. This will leave further options to extend the Contract two additional times for no more than one year.
7. Under HRHV provisions, you as Group Manager are the Delegate for the purposes of extending the contract (**Attachment D**).

Enduring Capability

8. Enduring Capability continues to require a responsive and scalable capability and ability to mobilise to meet operational needs.
9. Maintaining Facilities, Garrison, Transferee Arrivals and Reception Service provision is a key component that ensures Transferees have access to services that is safe and secure, provides for their needs and utilises facilities and personnel on Nauru.
10. Enduring Capability in Nauru operates under two states – Contingent State and Active State. Services to support Enduring Capability will be delivered during either Contingent State or Active State as directed by the Department and in line with Transferee population.
11. Under a Contingent State, no Transferee related services are required. The Service Provider maintains capability and capacity at a low state of readiness, capable of mobilisation to an Active State at short notice in the event of new Transferee arrivals in Nauru. The operating model will be low contingency with the minimum possible footprint.
12. Under an Active State, the provision of Services is based on an active Transferee population in Nauru. MTC has ready capability and capacity to support an active Transferee population in Nauru. MTC is required to perform those Services referred to as being required to be performed, or capable of being performed, in 'Active State' set out in Schedule 2 of the Contract.

Issues

13. The initial funding arrangement was based on advice that the Contract would transition to a Contingent State from 1 July 2024. However, the Contract did not move to a Contingent State as expected due to an unexpected cohort of new arrivals to Nauru. These circumstances have necessitated continued service delivery in an Active State.

14. s. 34(3)

It is prudent for the Department to extend the Contract at this time as the Contract specifies timeframes for notification to MTC, specifically in accordance with Clause 2.2(a) of the Contract, the Department may extend the Contract:

"The Department may, in its absolute discretion, extend this Contract by up to three additional periods not exceeding three years in aggregate from the applicable End Date (in each case the Extended Term) by providing no less than 90 days' written notice (or any other notice period agreed by the Parties in writing) to the Service Provider before the then End Date".

15. In order to retain its ability to extend the Contract, the Department must advise MTC of its intention to extend prior to 30 June 2025. Failure to notify MTC of the extension by this date may lead to a gap in

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capability caused by the Contract ending or MTC not agreeing to an extension, and put at risk the current staffing footprint as individual contracts MTC hold with their personnel expire.

16. Delay beyond 30 June 2025 may mean a requirement for negotiation on other terms, including potentially pricing, which may result in a contract variation which will trigger the HRHV process resulting in further delays. Delays will mean further negotiations with MTC will be required for a changed notice period, putting at risk service continuity if terms cannot be agreed.
 17. Notifying MTC prior to 30 June 2025 will also allow for subcontracts to be extended prior to their expiry on 30 September 2025. Each subcontract extension is required to go through a departmental enhanced due diligence process, and it is critical that sufficient time is provided to consider each subcontract to ensure all risks are considered. Should subcontracts not be extended, there is a risk of some services not being available from 01 October 2025, including services currently provided by local companies in Nauru.
 18. s. 47C(1) [REDACTED]
 19. The proposed duration of this extension of the Contract is 2 years from 1 October 2025 to 30 September 2027.
 20. Extending the Contract for 24 months will:
 - ensure uninterrupted service delivery to transferees, minimising disruption to operations;
 - demonstrate our commitment to the Contract with MTC;
 - help mitigate risks associated with frequent contract extensions and potential disruptions, and
 - provide sufficient time to consider to seek Commonwealth Government priorities and further Cabinet Authority to consider the potential future arrangements for regional processing.
 21. s. 47C(1) [REDACTED]
 22. The total contract value will increase due to the continuance of Active State beyond the initial Active State period and the proposed contract extension. There is no contract variation required as a result of the proposed increase, as the increase is due to the increase in activity which is already built into the contract, and the exercising of an option to extend the Contract.
 23. Whilst the Contract has been determined as High Risk High Value (HRHV), there are no High Risk payments (as specified in the Contract Management Plan) activated as a result of the proposed increase that require additional governance steps to be taken.
 24. The Contract Management Plan identifies two contract obligations as meeting the High Risk Payment requirement:
 - a. Mobilisation from Contingent State Level 1 to Contingent State Level 2; and
 - b. Mobilisation from Contingent Level 2 to Active State.

These payments have not been activated during the life of the Contract as the Contract commenced and has remained in an Active State. The activation of these payments would only occur, if the Contract moved to a Contingent State and then subsequently mobilised as above.
- HRHV**
25. This contract is managed under the HRHV framework. The HRHV Steering Committee has been copied into this minute, noting that as it is proposed simply to activate an extension available under the contract, the Committee's approval is not required.

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Fit For Purpose and Value for Money

26. Extending the current contractual arrangements with MTC is appropriate and necessary. MTC are considered Fit For Purpose and the contract achieves Value for Money for the following reasons:
- a. MTC has demonstrated a strong track record of delivering quality facilities, garrison and reception services in a regional processing environment and has demonstrated a comprehensive understanding of the service delivery environment, challenges and risks. MTC continue to demonstrate a high degree of cooperation with all stakeholders with equities in Regional Processing.
 - b. Regional Processing Enabling Branch is overall satisfied with MTC's performance and expect that extending the Contract will ensure continued quality of service. Transferees have received the appropriate care as outlined in the contract.
 - c. MTC has a scalable staffing solution, which can be adapted depending on the operating state and whether or not Transferee Services are required.
 - d. MTC continues to have the technical capability and capacity to deliver the required Services. The extension to 30 September 2027 ensures that MTC maintains the regional processing contractual arrangements in Nauru, and continues to provide a responsive and scalable capability to mobilise to meet operational demands.
 - e. MTC's processes align with the Department's operating intent with demonstrated capability to deliver services in a high tempo environment.
 - f. A timely approval to extend the Contract ensures service continuity and mitigates the risk of potential large scale disruption to the Regional Processing capability.
 - g. A new approach to market (including researching alternative suppliers) is unlikely to yield significant cost savings or improved outcomes, noting that previous open approaches to market have yielded little interest.
 - h. Conducting a new procurement process is not feasible as it would be time consuming and incur additional unfunded procurement and transition in/out costs. Given that the Contract contains existing extension options, this is the most prudent and cost effective course of action.
 - i. MTC demonstrated in the procurement process conducted for this Contract that it is highly competitive, and disruption from switching providers could outweigh potential benefits.
27. If the Contract extension is approved as per the recommendation in this Minute, up to one (1) additional period not exceeding 12 months in aggregate from the new End Date will remain available if required.

Risk Assessment

28. A Risk Assessment (**Attachment B**) has been developed in accordance with guidance from the Enterprise Risk Section.
29. The risk assessment articulates the risks associated with extending the contract.
30. The Risk Assessment identifies nine (9) active risks related to the proposed contract extension. Three of these risks are currently rated high, four medium and two low. The three rated high are as follows:

s. 47C(1)

[REDACTED]

- b. Insufficient funding results in inability to continue service delivery under the Contract.

Current funding for Active State is only approved to 30 June 2026. Funding for forward years is only allocated for contingent state. The Department will seek additional funding through an Estimates Variation as part of the Budget process noting that this will be a decision of Government.

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s. 47C(1)

Implementation of the treatments above should effectively mitigate these risks.

Performance

31. The Regional Processing Contracts Section has consistently monitored the performance of MTC throughout the term of the Contract and is satisfied that the level of services delivered are consistent with the requirements for a contract extension. Extending the contract whilst the Department has sole discretion will manage these risks.
32. Since the commencement of the Contract's performance management framework the Department has identified 53 quality failures resulting in abatements totalling \$57,000. The majority of the quality failures were of an administrative nature with a continuous improvement process implemented to reduce future instances of non-compliance. All quality failures require the submission of an action plan by MTC to identify issues and detail how those issues are to be addressed in the future. The Department is comfortable with the responses and ongoing implementation of assurance activities relating to the action plans.
33. Ongoing monitoring of performance monitoring and improvement will remain a key focus of the Regional Processing Contracts Section.

Funding

34. The current value of the Contract is \$421,830,424.60 (GST inclusive). The initial forecasts of contract value were based on the contract being in Active State until 30 June 2023, and Contingent State from 1 July 2023 onwards. However, the Contract has remained in Active State for its full duration to date and the previous funds availability signed off has been sufficient to cover Active State to 30 September 2025.
35. External Budgets and Revenue Branch has completed a funds availability assessment through to 30 September 2027 to a total value of \$364,715,229.60 (GST inclusive). The funds availability assessment provides a funding envelope to aid in contract extension negotiations. Should the final extension option be executed, an updated funds availability assessment will be required to cover the period 1 October 2027 to 30 September 2028. A copy of the Funds Availability Assessment is at **Attachment C**.
36. It became evident through this funds availability assessment process, Program 2.4 baseline funding over the forward estimates is insufficient to cover Contingent State under an Enduring Capability as assumptions that underpin the baseline funding is outdated. A future comeback to government will be required should the value of the contract exceed the updated contract value of \$786,545,654.20 (GST inclusive) to reset the Contingent State baseline and if Active State extends beyond 30 June 2026.

37.

s. 34(3)

38. Outlined below is a financial summary of the proposed contract value increase:

	GST Excl.	GST	Total (GST Incl.)
Current contract value to 30 September 2025	392,863,000	28,967,425	421,830,425
Additional approval amount to extend services to 30 September 2027	339,669,950	25,045,280	364,715,230
Revised Total Contract Value	732,532,950	54,012,704	786,545,654

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39. Additional funding would likely be required, if policy authority is approved and there is a requirement to continue in an Active State beyond 30 June 2026.
40. Regional Program Operations and Policy Branch will seek policy authority by the early part of 2026 calendar year regarding requirements beyond 30 June 2026.

Consultation

41. External Budgets and Revenue Branch have been consulted regarding the funding availability assessment and this minute.
42. Enterprise Risk Section has been consulted regarding the Contract extension risk assessment.
43. Procurement and Contract Support Branch and Commercial, Employment and Information Law Branch have been consulted regarding this minute.
44. The GoN is required to approve the extension under Nauru legislation, and has been engaged on this matter.

Recommendation

It is recommended that you:

1. Approve the option to extend the Contract with MTC for a further 2 years from 01 October 2025 to 30 September 2027 for the continued provision of facilities, garrison, transferee arrivals and reception services on Nauru.

Approved/~~Not Approved~~/~~Please Discuss~~

2. Sign the attached PGPAAs.23 Approval document (**Attachment A**), to approve

- a. As the relevant Departmental PGPAAs.23 (1) Delegate, the extension of the Contract from 01 October 2025 to 30 September 2027; and
- b. As the relevant Departmental PGPAAs.23 (3) Delegate, the increase in the value of the Contract by \$364,715,229.60 (GST inclusive), resulting in the new total Contract value of \$786,545,654.20 (GST inclusive).

Signed/~~Not signed~~/~~Please Discuss~~

s. 22(1)(a)(ii)

s. 22(1)(a)(ii)

Joe Feld
A/g First Assistant Secretary
Regional Programs Division

17 June 2025

Michael Thomas
Group Manager
Immigration Compliance Group

23 June 2025

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Contact Officer: Peter Manwaring

Division/branch: Regional Processing Enabling Branch

Phone: s.22(1)(a)(ii)

Attachments:

- A. PGPAAs.23 Delegate Approval
- B. Contract Extension and Variation Risk Assessment
- C. Funds Availability Assessment
- D. Group Manager Delegate Policy

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Department of Home Affairs

Contract Variation Delegate Approval

Contract Extension 1 of the Contract 70032611 between Management & Training Corporation Australia and the Department.

Provision of Facilities, Garrison, Transferee Arrivals and Reception Services on Nauru

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SECTION 1 - DETAILS OF CONTACT OFFICER:	
Name:	Peter Manwaring
Phone:	s.22(1)(a)(ii)
Email Address:	s.22(1)(a)(ii) @homeaffairs.gov.au
Group/Branch/Section: Immigration Compliance Group, Regional Programs Division, Regional Processing Enabling Branch	
Date Approval is Required:	
SECTION 2 - CURRENT CONTRACT DETAILS:	
Contract between Management & Training Corporation Australia and the Department	
Contract Reference Number:	70032611
Brief description of the goods/services currently being provided:	Facilities, Garrison, Transferee Arrivals and Reception Services in Nauru
Current Term of contract	Commencement: 1 October 2022 End date: 30 September 2025 Options to extend: The Department may, in its absolute discretion, extend this Contract by up to three additional periods not exceeding three years in aggregate from the applicable End Date (in each case the Extended Term) by providing no less than 90 days' written notice (or any other notice period agreed by the Parties in writing) to the Service Provider before the then End Date.
Current Contract Value	\$392,863,000.00 (GST Exclusive) \$421,830,424.60 (GST Inclusive)
SECTION 3 – DETAILS OF PROPOSED VARIATION:	
Background The current value of the Contract is \$421,830,424.60 (GST inclusive). The initial forecasts of the Contract value were based on the contract being in Active State until 30 June 2023, and Contingent State from 1 July 2023 onwards. However, the Contract has remained in Active State for its full duration to date. s. 34(3) contingent State funding is still forecast from 1 July 2026 onwards, although this is revisited annually through the Federal Budget Process depending on the ongoing need for regional processing. Additional funding of \$399,669,950.00 (GST exclusive) is required as part of the two year extension and to cover additional expenditure for the 2024-25 financial year (FY) resulting from the contract being in Active State since its commencement. Administered Financials Management section have advised that an uplift adjustment of \$5,200,000 (GST exclusive) is required to be added to the value of the Contract to cover the cost of remaining in an Active State for the remainder of this financial year.	

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s. 34(3)	
Administered Financials Management section advised that additional funding is required to support the extension the Contract in an active state for 2025-26 and a Contingent State in the forward financial years. The breakdown of funding across financial years is as follows: • \$5,200,000 (GST exclusive) for 2024-25 • \$217,920,000 (GST exclusive) for 2025-26 • \$92,446,354 (GST exclusive) for 2026-27, and • \$24,103,596 (GST exclusive) for 2027-28. The total increase in value to the Contract is \$339,669,950.00 (GST exclusive), \$364,715,229.60 (GST inclusive). On 13 June 2025, Administered Financials Management Section confirmed funds availability to extend the Contract to 30 September 2027. The estimated total value of the Contract (should the 24 month extension option be fully utilised) is \$786,545,654.20 (GST inclusive). PGPAAs23 Delegate approval is required to ensure that the Department is able to meet its financial commitment, and to facilitate the publication of the Contract details in AusTender.	
Does the contract contain any further extension options <i>Up to 3 years total – currently only extending for 2 years.</i>	☐ Not Applicable – approval to extend the contract is not being sought ☒ Yes – approval is being sought to exercise an extension option, New End Date: 30 September 2027 ☐ No – approval is being sought to extend the contract by variation.
Changes to OR Additional goods or service If yes, provide description:	☒ No ☐ Yes
Additional expenditure	☐ No ☒ Yes Additional Expenditure amount: \$364,715,229.60 (GST inclusive) \$339,669,950.00 (GST exclusive) New Total contract value \$786,545,654.20 (GST inclusive) \$732,532,950.00 (GST exclusive)
Has consultation been undertaken with the Contracts and Procurement Branch?	☐ No ☒ Yes. Name of person consulted s.22(1)(a)(ii)

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	Advice TRIM Reference: ADD2025/3837742
Has consultation been undertaken with the Commercial Employment and Information Law Branch?	☐ No ☐ Not Applicable (as this is a simple contract extension variation, and does not require legal review. PCSB may send to legal for review, at their discretion). ☒ Yes. Name of person consulted: s.22(1)(a)(ii) Advice TRIM Reference: ADD2025/3863291

SECTION 4 – VALUE FOR MONEY:

Confirm the spending will be a proper use of public resources and represents value for money as follows:

1. Extending the current contractual arrangements with MTC is appropriate and necessary. MTC are considered Fit For Purpose and the contract achieves Value for Money for the following reasons:
 - a. MTC has demonstrated a strong track record of delivering quality facilities, garrison and reception services in a regional processing environment and has demonstrated a comprehensive understanding of the service delivery environment, challenges and risks. MTC continue to demonstrate a high degree of cooperation with all stakeholders with equities in Regional Processing.
 - b. Regional Processing Enabling Branch is overall satisfied with MTC's performance that the level of services delivered are consistent with the requirements of the Contract Extension and the ongoing monitoring of performance/improvement will remain the key focus. Transferees have received the appropriate care as outlined in the contract.
 - c. MTC has a scalable staffing solution, which can be adapted depending on the operating state and whether or not Transferee Services are required.
 - d. MTC continues to have the technical capability and capacity to deliver the required Services. The extension to 30 September 2027 ensures that MTC maintains the regional processing contractual arrangements in Nauru, and continues to provide a responsive and scalable capability to mobilise to meet operational demands.
 - e. MTC's processes align with the Department's operating intent with demonstrated capability to deliver services in a high tempo environment.
 - f. A timely approval to extend the Contract ensures service continuity and mitigates the risk of potential large scale disruption to the Regional Processing capability.
 - g. A new approach to market (including researching alternative suppliers) is unlikely to yield significant cost savings or improved outcomes, noting that previous open approaches to market have yielded little interest.
 - h. Conducting a new procurement process is not feasible as it would be time consuming and incur additional unfunded procurement and transition in/out costs. Given that the current Contract contains existing extension options, this is the most prudent and cost effective course of action.
 - i. MTC demonstrated in the procurement process conducted for this Contract that it is highly competitive, and disruption from switching providers could outweigh potential benefits
2. If the extension is approved, one (1) additional period not exceeding 12 Months in aggregate from the new End Date (being 30 September 2027 in the event the two year extension is progressed) will remain available if required.

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SECTION 5 – FUNDING APPROVAL:											
The total estimated value of the procurement is \$732,532,950 (GST Exclusive) and is comprised of \$392,863,000 for the initial term and \$339,669,950 for the variation.											
<table border="1"> <thead> <tr> <th>OPEX (GST exclusive)</th> <th>CAPEX (GST exclusive)</th> </tr> </thead> <tbody> <tr> <td>\$5,200,000 FY2024/25</td> <td>\$_____ FY_____</td> </tr> <tr> <td>\$217,920,000 FY2025/26</td> <td>\$_____ FY_____</td> </tr> <tr> <td>\$92,446,354 FY2026/27</td> <td>\$_____ FY_____</td> </tr> <tr> <td>\$24,103,596 FY2027/28</td> <td>\$_____ FY_____</td> </tr> </tbody> </table>	OPEX (GST exclusive)	CAPEX (GST exclusive)	\$5,200,000 FY2024/25	\$_____ FY_____	\$217,920,000 FY2025/26	\$_____ FY_____	\$92,446,354 FY2026/27	\$_____ FY_____	\$24,103,596 FY2027/28	\$_____ FY_____	
OPEX (GST exclusive)	CAPEX (GST exclusive)										
\$5,200,000 FY2024/25	\$_____ FY_____										
\$217,920,000 FY2025/26	\$_____ FY_____										
\$92,446,354 FY2026/27	\$_____ FY_____										
\$24,103,596 FY2027/28	\$_____ FY_____										
Has a Funds Availability Sign-Off been undertaken for the contract variation amount?	☐ YES Funds Availability Sign-Off confirmed Name and signature of cost centre manager / project manager: Name: _____ Signature: _____ OR ☒ Written confirmation from GFP team or AS MAB attached.										
SECTION 6 – RISK ASSESSMENT:											
☒ A Risk Assessment has been undertaken and is at Attachment B of EC25-003297 Risk Assessment: ADD2025/37837481											

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SECTION 7 – DELEGATE APPROVAL:

The *Public Governance, Performance and Accountability Act 2013* PGPAAs23(3) provides me with the power to approve commitment of relevant money for goods and/or services.

As the delegate, I:

1. Approve spending up to the amount of \$786,545,654.20 **inclusive** of GST relating to the extension of Management and Training Corporation contract for the provision of Facilities, Garrison, Transferee Arrivals and Reception Services.
2. Confirm that the funding is available for the total contract value GST **Exclusive** of \$732,532,950.00.
3. Confirm the spending be a proper use of public resources and represents value for money.

☐ I confirm that I am acting in accordance with the Finance Ministers Delegations, Department's Accountable Authority Instructions and within the limits of my PGPAAs60 delegation.

☐ I acknowledge that my contract manager is responsible for completing the Enter/Amend Contract Form in easySAP to update the purchase order within five days of executing the contract extension or variation. This enables the department to meet reporting obligations.

Comments (if any):

Nil.

s. 22(1)(a)(ii)

Signature: _____

Michael Thomas, Group Manager

Immigration Compliance Group

Date: 23 June 2025

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Australian Government
Department of Home Affairs

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10 July 2025

Mr Troy Ittensohn
Managing Director
Management and Training Corporation Australia
Level 44, 2-12 Macquarie St
Parramatta NSW 2150

Dear Mr Ittensohn,

EXTENSION OF CONTRACT TO 30 SEPTEMBER 2027

I refer to the contract between the Commonwealth of Australia, represented by the Department of Home Affairs (the Department), and Management and Training Corporation Australia (MTC), in relation to the provision of garrison and security services in Nauru.

Pursuant to clause 2.2(a) of the Contract, the Department is pleased to confirm the extension of the Nauru Facilities, Garrison, Transferee Arrivals and Reception Services Contract by a period of two (2) years.

The new end date for the Contract will now be 30 September 2027. The Department thanks MTC for their work and continued contribution to Regional Processing and Enduring Capability.

If you have any queries or concerns please contact s.22(1)(a)(ii) via email:
s.22(1)(a)(ii)@homeaffairs.gov.au.

Yours sincerely,

s. 22(1)(a)(ii)

Joe Feld
Contract Authority
A/g First Assistant Secretary
Regional Programs Division

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