



## **Australian Government**

Australian Government response to the  
Review of Integrity Concerns and Governance Arrangements for the  
Management of Regional Processing Administration by the  
Department of Home Affairs

*Final Report*

## Report Recommendations

**Recommendation One: Home Affairs should enhance its integrity risk process and culture to better inform procurement and contract decision-making for regional processing arrangements by:**

- **More carefully considering the environment in which a procurement is conducted or contract is delivered, and the ethical conduct and integrity of tenderers, suppliers and supply chains; and**
- **Undertaking risk-informed due diligence activities throughout the procurement and contract management lifecycle.**

**Response:** the Government **agrees** with the recommendation, with the Department of Home Affairs to lead implementation.

The Department of Home Affairs has taken a number of steps to better inform its procurement and contract management decision making in the context of regional processing, including: improving its major subcontractor approval and extension process to ensure sufficient due diligence is undertaken; establishing new capability and improving the process of assessing risk for the purposes of decision making within the regional processing environment; and regular engagement with relevant agencies on regional processing matters. These activities apply to any extension of the primary service provider contract, as well as any new contract or significant event.

The Department of Home Affairs is reviewing its High Risk, High Value (HRHV) procurement processes to ensure that there is adequate oversight for procurements undertaken in high risk environments such as regional processing. Implementation of this recommendation will also be informed by work to be progressed in relation to recommendation 3.

The Government also notes the Department of Finance is progressing a range of work to support improved supplier integrity including enhanced due diligence guidance, a supplier code of conduct and a requirement to disclose significant events.

**Recommendation Two: Home Affairs should foster and promote an “ask and tell” operating environment that encourages collaboration, cooperation, proactive enquiry and information sharing.**

**Response:** the Government **agrees** with the recommendation, with the Department of Home Affairs to lead implementation.

The Department of Home Affairs, through its senior leadership team, is committed to developing a culture of curiosity and innovation, encouraging open and honest conversations about risk, and supporting early and proactive engagement and communication. This goes beyond an ‘ask and tell’ operating environment, to one of ‘ask, tell and act’, reflecting that everyone has a role to play in identifying, managing and communicating risk.

The Department of Home Affairs is focused on enhancing both its risk culture and risk capability, utilising the specialist skills and experience found in personnel at a business unit level to identify and manage risk on a day-to-day basis.

The Department of Home Affairs is establishing direct access for a greater number of staff to various intelligence systems and other information, and is also broadening distribution lists for intelligence products to ensure these capture all relevant stakeholders with the requisite need-to-know. The Department of Home Affairs is reviewing its current intelligence sharing processes to ensure intelligence and information that pertains to the spectrum of Departmental responsibilities is available to as broad a range of areas within the department as possible, in line with legal obligations. This includes making greater use of secondees and liaison, disseminating intelligence and information more widely and expanding access to intelligence repositories.

**Recommendation Three: The Department of Finance, in consultation with the Australian Federal Police (AFP), and the Office of National Intelligence (ONI) on behalf of the National Intelligence Community (NIC), should develop a protocol for lawfully sharing law enforcement and intelligence information with Commonwealth entities, to inform procurement and contracting decisions in high risk environments. The information sharing protocol should be considered and endorsed by Secretaries' Committee on National Security.**

**Response:** The Government **agrees in principle** with this recommendation, with the Department of Finance and the Attorney-General's Department – in consultation with relevant law enforcement agencies and the ONI on behalf of the National Intelligence Community – to lead consideration of a protocol or other arrangement for the lawful and appropriate disclosure of law enforcement and intelligence information to, and its use by, Commonwealth entities to inform procurement and contracting decisions in high risk environments.

Any protocol or other arrangement will need to have regard to the legal frameworks that regulate information sharing and use, as well as operational and resourcing implications.

- The protocol or other arrangement will need to have regard to the legal and policy frameworks that regulate information sharing and use; and
- The protocol must be consulted with each NIC agency; and
- The protocol should preserve the decision-making role of NIC Accountable Authorities as to what information can be shared, and when.

**Recommendation Four: Redacted**