

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

From: s. 22(1)(a)(ii)
Sent: Monday, 11 October 2021 5:31 PM
To: [REDACTED]
Subject: FW: Engagement of Advisory Support s. 22(1)(a)(ii) [SEC=OFFICIAL]

OFFICIAL

Hi [REDACTED]

Please see below email thread relating to the engagement of two consultancy firms:

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

- 2. DPG Advisory Services
 - a. Email from Secretary Pezzullo below authorising Justine Saunders "to engage DPG for an urgent advisory task of two months' duration".

Please let me know if the below is sufficient to satisfy the business case requirement, if not I will seek an email from the relevant FAS'.

Thanks

[REDACTED]

Kind regards,

s. 22(1) [REDACTED]

Director
Temporary Visas and Travel Exemptions Branch | Immigration Programs Division
Immigration and Settlement Services Group
Department of Home Affairs

s. 47E(d)
s. 22(1)(a)(ii)@homeaffairs.gov.au

OFFICIAL

From: s. 22(1)(a)(ii) [REDACTED]@HOMEAFFAIRS.GOV.AU>
Sent: Wednesday, 18 August 2021 3:47 PM
To: s. 22(1)(a)(ii) [REDACTED]@homeaffairs.gov.au>
Cc: Joe FELDS. 47E(d)@homeaffairs.gov.au>; s. 22(1)(a)(ii) [REDACTED]@HOMEAFFAIRS.GOV.AU>
Subject: RE: Engagement of Advisory Support [SEC=OFFICIAL]

OFFICIAL

Great Thanks [REDACTED]

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FYI – s. 22(1)(a)(ii) [redacted] it might be worth touching base with s. 22(1)(a)(ii) [redacted] to see if we can combine the procurement processes to streamline things?

[redacted] also suggested it might be simpler if all consultants were engaged by Greg (but could work across the group) but I will leave that to Greg and [redacted] to sort out.

Cheers [redacted]

s. 22(1)(a)(ii) [redacted]
Executive Officer to Justine Saunders APM
Deputy Commissioner
Department of Home Affairs
s. 47E(d) [redacted]
s. 22(1)(a)(ii)@abf.gov.au

OFFICIAL

From: s. 22(1)(a)(ii) [redacted]@homeaffairs.gov.au>
Sent: Wednesday, 18 August 2021 1:03 PM
To: s. 22(1)(a)(ii) [redacted]@HOMEAFFAIRS.GOV.AU>
Cc: Joe FELDS. 47E(d)@homeaffairs.gov.au>
Subject: RE: Engagement of Advisory Support [SEC=OFFICIAL]

OFFICIAL

Hi [redacted],

Never mind about the below – it looks like Joe has already made contact with [redacted] (see attached).

I'll come back to you if we have other questions.

Thanks

[redacted]

Kind regards,

s. 22(1)(a)(ii) [redacted]
Temporary Visas and Travel Exemptions Branch | Immigration Programs Division
Immigration and Settlement Services Group
Department of Home Affairs

s. 47E(d) [redacted]
s. 22(1)(a)(ii)@homeaffairs.gov.au

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From: s. 22(1)(a)(ii)
Sent: Wednesday, 18 August 2021 12:37 PM
To: s. 22(1)(a)(ii) @HOMEAFFAIRS.GOV.AU>
Cc: Joe FELDS. 47E(d)@HOMEAFFAIRS.GOV.AU>
Subject: FW: Engagement of Advisory Support [SEC=OFFICIAL]

OFFICIAL

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

I'm working with Joe Feld and Greg Miller at the moment on a number of things including the Industry Quarantine Scheme (IQS). Greg wanted me to check in with you on any progress/discussions so far in relation to engaging DPG Advisory Solutions (DPG) – see below and attached for background.

Is this something that's currently sitting in your space? If not, happy to work with you on getting the procurement sorted out. Greg mentioned that s. 22(1)(a)(ii) would be a good place to start.

Thanks and happy to discuss

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

Kind regards,

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

Temporary Visas and Travel Exemptions Branch | Immigration Programs Division
Immigration and Settlement Services Group
Department of Home Affairs

s. 47E(d)
s. 22(1)(a)(ii)@homeaffairs.gov.au

OFFICIAL

From: Greg MILLER s. 47E(d) @homeaffairs.gov.au>
Sent: Tuesday, 17 August 2021 6:20 AM
To: Joe FELDS. 47E(d)@homeaffairs.gov.au>; s. 22(1)(a)(ii) @homeaffairs.gov.au>
Subject: FW: Engagement of Advisory Support [SEC=OFFICIAL]

OFFICIAL

Forgot to send this to you last night. But had dreams about it so I wasn't going to forget today. Another to follow from another provider the Secretary has met with.

GM

Gregory Miller
First Assistant Secretary
Border Measures Group
Department of Home Affairs

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s. 47E(d) [redacted]
s. 47E(d) @homeaffairs.gov.au

s. 22(1)(a)(ii) [redacted]
s. 47E(d) [redacted]

OFFICIAL

From: Justine SAUNDERS, s. 47E(d) [redacted] @HOMEAFFAIRS.GOV.AU>
Sent: Monday, 16 August 2021 4:11 PM
To: Greg MILLERS, s. 47E(d) [redacted] @homeaffairs.gov.au>
Subject: FW: Engagement of Advisory Support [SEC=OFFICIAL]

OFFICIAL

Will give you a call to discuss before responding.

Justine

OFFICIAL

From: Michael PEZZULLOS, s. 47E(d) [redacted] @homeaffairs.gov.au>
Sent: Monday, 16 August 2021 4:06 PM
To: Justine SAUNDERS, s. 47E(d) [redacted] @HOMEAFFAIRS.GOV.AU>
Cc: s. 47F(1) [redacted]; ESU Executive Support Unit, s. 47E(d) [redacted] @homeaffairs.gov.au>; s. 22(1)(a)(ii) [redacted] @homeaffairs.gov.au>; s. 22(1)(a)(ii) [redacted] @homeaffairs.gov.au>; Andrew KEFFORD, s. 47E(d) [redacted] @homeaffairs.gov.au>
Subject: Engagement of Advisory Support [SEC=OFFICIAL]

OFFICIAL

Justine,

In the interests of getting more urgent traction on the development of an industry-led and industry-financed quarantine scheme, you are authorised to engage DPG for an urgent advisory task of two months' duration. DPG's role will be limited to advising the Department on a potential model, industry engagement and on getting industry commitment. DPG will not be authorised to represent the Commonwealth's interest in such a scheme as extending to the financing of such a scheme, or to the related procuring of goods and services, all of which will be done by the private sector, through a self-organised and funded initiative.

The Commonwealth's role in such a scheme will be limited to visa processing, supporting industry through the skills list and global talent arrangements, and liaison with S & T as we would in relation to any industry-led processes such as major sporting events etc. Ideally, industry will treat this exercise as a 'call to arms' and will see the benefit of establishing a commercial vehicle, which ideally would be able to support the managed entry of skilled workers,

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agricultural labour, tertiary students and others over time, thereby reducing the impact on State and Territory hotel quarantine capacity.

In building a 'team of teams' approach, please engage with the other provider(s) as discussed. Ideally, the advisory partners could come together, perhaps through sub-contracting arrangements.

I am taking this initiative as I have come to the judgement that absent some catalysing action by the Department, there will be continue to be discussion within business, the agricultural sector and universities, without a 'first mover' appearing.

Over to you,

Thanks,

MP

Michael Pezzullo AO

Secretary

Department of Home Affairs

s. 47E(d) | s. 47E(d) @homeaffairs.gov.au

OFFICIAL

From: s. 47E(1)
Sent: Monday, 16 August 2021 9:25 AM
To: Michael PEZZULLO s. 47E(d) @homeaffairs.gov.au>
Subject: Amended proposal

Secretary

As discussed, please find an amended proposal. Feel free to call to discuss.

Regards

s. 47F(1)

s. 47F(1)

Director

DPG Advisory Solutions Pty Ltd

Level 1, The Realm

18 National Circuit, Barton ACT 2600

s. 47F(1)

www.dpgadvisory.com.au

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Temporary Quarantine for Skilled Workers Initiative

Initial Strawman on Potential
Business and Operating Model
August 2021

Version: 2.0
For Review by Government



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under the Freedom of Information Act 1982

Overview

There is a critical requirement for a private sector entity to provide quarantine services to enable the private sector to expedite the migration of skilled workers into the Australian economy.

The Situation

1 **Current quarantine arrangements** - dedicated to a capped number of returning Australian citizens and limited other visa holders. It expressly excludes skilled migrant and student visa cohort. States fund the quarantine programs with partial cost recovery from users. There is no appetite from Premiers for this arrangement to change to accommodate broader categories.

2 **Future Quarantine** - Commonwealth and State funded permanent facilities currently being provisioned are designed to replace the existing State-run 'hotel' facilities - they are not planned to cater for skilled migrant and student populations.

3 **Expedited Skilled Labour Immigration** - there is significant demand from the growing economy for skilled labour. The Commonwealth is planning to allow 80k skilled labour immigrants (SLI) visas in each of the next two years. This immigration activity must comply with State government healthcare directives.

4 **Private Sector Pay as You Use Model** - There is a clear economic and political requirement for healthcare-compliant immigration of skilled labour to be paid for by the private sector organisations that will benefit from it.

The Solution

Private Sector Funded Quarantine - The private sector establishes a user funded and operated quarantine service capable of processing up to 80k SLIs a year, together with student visa holders, in State government compliant facilities across Australia.

End-to-End Processing of Skilled Immigrants - The service may include end-to-end processing from visa requests and PCR tests, through transport of SLIs from Australian entry hubs to quarantine facilities (accommodation, food and security included), and transport after two weeks' quarantine to their labour location.

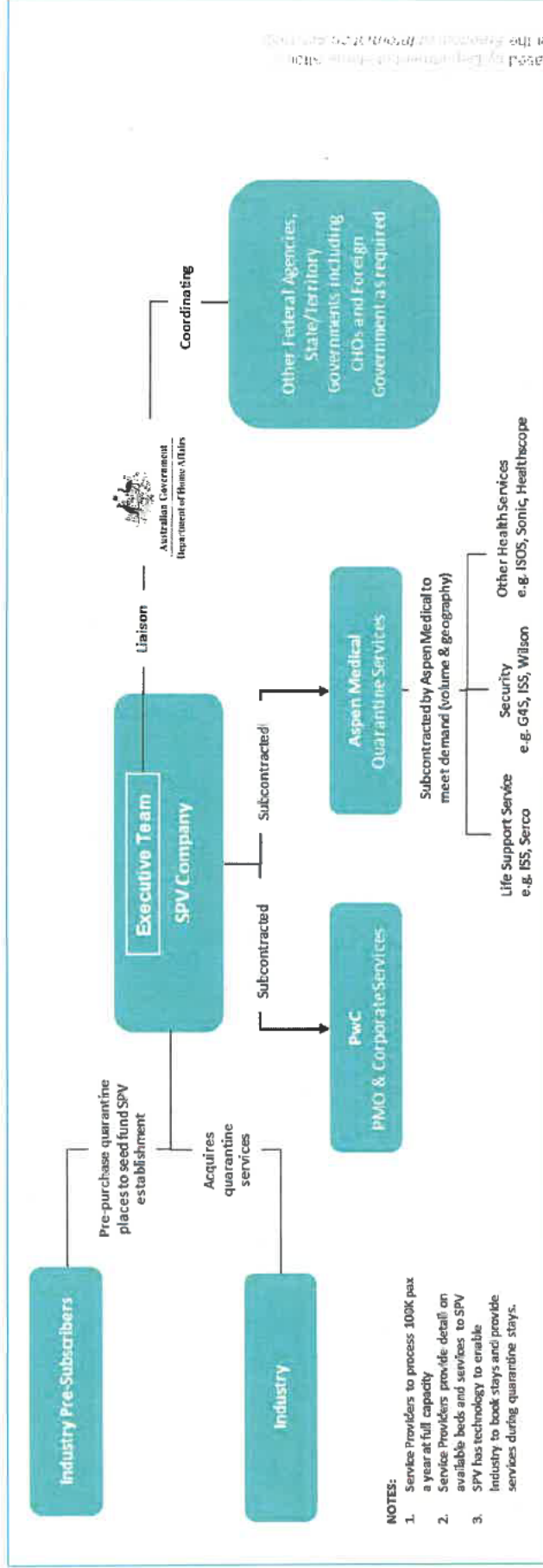
Support for a wide set of industries - This service should be available to any industry requiring skilled labour. The service model should support varying levels of quarantine and lower margin industries being subsidised by levies on student visa immigrants using the service.

Government Backing - government backed commitments on priority processing of skilled labour applications, and student visas, to provide reasonable expectation of throughput. Visa granted only upon proof of a pre-booked space in a recognised Quarantine facility.

Potential SPV Leadership Framework

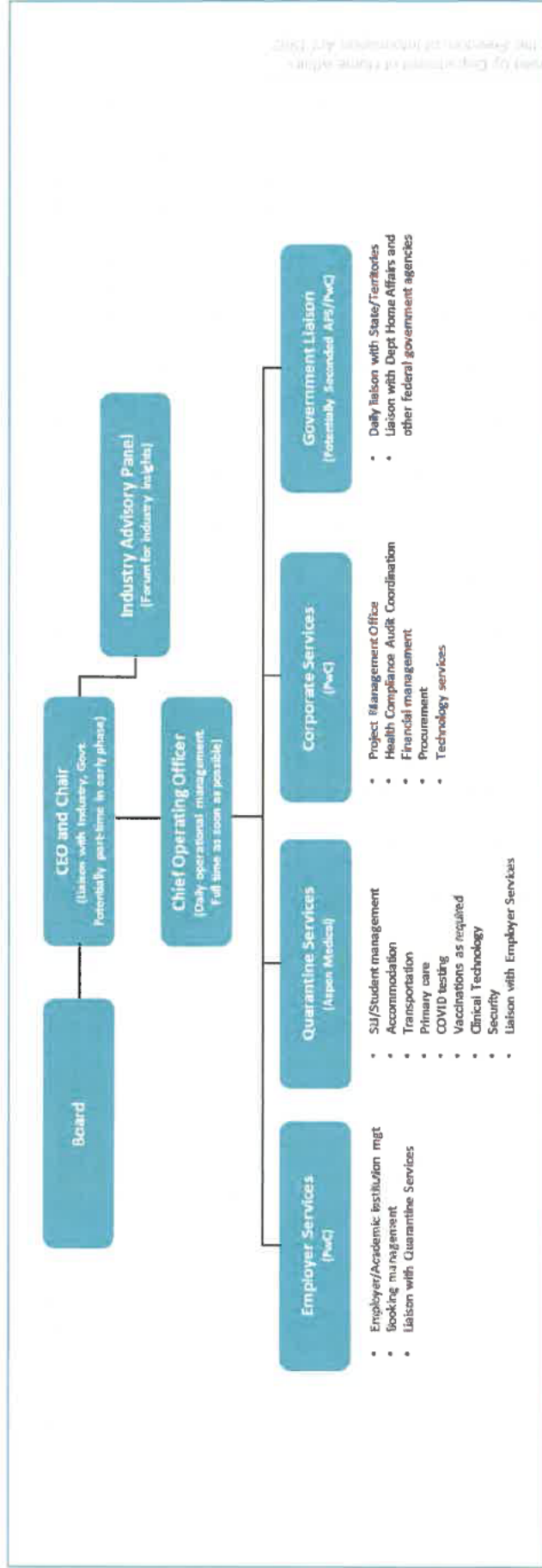


To enable the rapid establishment of service provision, we propose the establishment of a SPV funded by pre-subscriptions to the service. The SPV will have two core service providers; PwC providing PMO and corporate services, and Aspen Medical coordinating the delivery of quarantine services.



The Special Purpose Vehicle (SPV) Operating Model

To enable effective corporate governance and responsiveness to the rapid timeline for establishing the SPV, we believe the following Leadership Framework should be implemented.



SPV Rules & Principles



The SPV will be operated on a not-for-profit basis and be created by PwC under the following principles:

Corporate Structure

- Private Australian company resident in ACT, with a low valuation with no intention to make profit, rather provide services at fixed rate, the costs of which to be equal to service costs + minimal operating costs
- Ownership limited to those pre-subscribing for "beds". Pre-subscriptions will fund establishment costs

Operating Governance

- CEO (likely sole employee of SPV) a prominent Australian outside ownership group
- Chair a prominent Australian not associated with ownership
- Board of 6 excluding chair, with four owners and two independents
- Industry council of business leaders reporting to CEO to raise industry concerns
- External Audit by non-Big4 entity to encourage wider industry involvement

Requirements of Government

- Official acknowledgement for the industry-led creation and running of the SPV.
- A formal commitment from Government to ensure priority visa and exemption processing for applicants in key cohorts to allow throughput to meet capacity.
- Alignment of booking in an SPV operated facility (or other similar approved scheme by limited exception) with the travel exemption process, which is consistent with the current temporary skilled prioritisation model.
- State and Territory Governments to approve quarantine accommodation options and service provision arrangements (health, security)

Temporary Quarantine for Skilled Workers Initiative

Service Provision

- All quarantine, transport and security services to be provided by the SPV to industry
- Potentially, tiering (Gold/Silver/Bronze) of service depending on nature of quarantine
- Service model should support varying levels of quarantine and lower margin industries being subsidised by levies on more affluent visa immigrants using the service.
- SPV to subcontract PwC, and Aspen Medical to provide quarantine services by "sub-priming" three other leading quarantine service providers to provide capacity and reduce the ability of facility owners taking advantage of a limited number of beds.

Role of PwC

- Establishment of corporate structure, business/corporate processes and technology (Salesforce service cloud and Microsoft ERP)
- PMO for establishment of business, and for ongoing operation
- Corporate leadership and operation of corporate services including technology
- Liaison with subscribers and industry to assist in establishing/running of business

Role of Aspen Medical & Quarantine Service Providers

- Delivery of quarantine services including accommodation, food and facility services
- Delivery of transport services from a hub in a source country, through Australian entry hub to quarantine facility and to place of employment on completion of quarantine
- Security services
- The subcontract will be structured to allow Aspen Medical and other suppliers to retain all IP provided and developed during the completion of the services
- Management of compliance with state and territory health and security compliance requirements

August 2021

ROM Cost Estimate for Establishment Phase



We estimate the Establishment Phase will take approximately 14 weeks with a seed funding requirement of approximately \$22.5M. This will provide 2000 beds by beginning of Week 15.

Scope of Establishment Costs

- PMO and corporate services includes creation of business, establishment of business operations and required technology, formal procurement, government and industry liaison.
- Establishment of facilities to initially capacity of 2000 beds increasing to full capacity to process 100,000 pax per year. This will include provision of accommodation, food, security and transport from entry hub to labour location.
- At this time the cost of insurance for impaired services driven by changed Federal or State/Territory policy or health order has not been included.

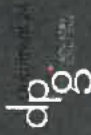
Estimated Establishment Cost

- Total estimated establishment costs: \$22.5M
- This is based on the following estimates:
 - PMO and corporate services: \$10.0M
 - Services providers: \$10.0M
 - Contingency: \$ 2.5M
- This will allow the establishment of an initial 2000 places available after 14 weeks.

Proposed Fee per Bed (ex GST)

- Base fee for accommodation & food only per bed at a facility: \$7.5—\$10K
- Approximate fee including domestic transport and security: \$12K
- Beds will be acquired via booking system marketplace and paid for 14 days prior to arrival
- Cost / place will fluctuate with service quality level (camp, hotel, cruise ship), seasons, scarcity / demand etc.
- Costs may also vary due to cruise ship port and associated charges not included
- The bed fee will be highly dependent on through put and environment complexity
- Potential for additional advisory services

Government Role



While the SPV is an entirely private sector owned and managed entity, there is still a need for government involvement, endorsement and commitment.

Endorsement of Approach

There is an imperative for the Federal Government to publicly support the SPV's creation and its operations as a mechanism to enable the continued growth of the Australian economy. This show of support should be performed jointly with the key leaders of the Federal Government, of the SPV, and leading private industry SPV investors. The SPV expects to continually liaise with the Federal and State and Territory governments on its operations to provide confidence as to its service delivery quality (via regular audits of facilities).

Coordination with the States and their CHOs

The operations of the SPV are highly dependent on coordination with, and endorsement of, the operations by State and Territory CHOs. It will be a requirement of the Federal Government to facilitate this coordination to provide confidence to State health departments as to the quality of operations as well as facilitate their endorsement of the approach.

Expediting Visa Processing

A key success criteria for the SPV will be the processing of skilled labour immigrants (SLIs) through quarantine facilities to meet the requirements of industry in a timely manner. Given the high number of visa requests for skilled workers expected at launch of the SPV services, there is a requirement for a formal commitment from Home Affairs to expedite the processing of agreed visa types.

Liaison with Foreign Governments

There may be a requirement for foreign government involvement in particular activities of the SPV and its operations. To ensure appropriate protocols are adhered to there will be a need for the Federal Government to facilitate these in a timely manner.

Commitment to Entry Volumes

To enable quarantine service providers to commit to a unit price, there is a requirement for them to have confidence on the potential volume of visa holders permitted into the country during the SPV's lifecycle. There will be a clear dialogue between the Commonwealth and the SPV on relative skill priorities and evolving policy settings.

Proposed Funding Arrangements



We are seeking between \$20 – 22.5M of the Establishment cost by a seed funding round structured as a pre-subscription for a placement commitment.

Scope of Establishment Costs

- PMO and corporate services includes creation of business, establishment of business operations and required technology, formal procurement, government and industry liaison.
- Establishment of facilities to initially enable 2000 beds increasing to approximately 4000 based on demand. This will include provision of accommodation, food, security and transport from entry hub to labour location.
- At this time the cost of insurance for impaired services driven by changed Federal or State/Territory policy or health order has not been included.

Requested Total Seed Funding

- Total seed funding (TSF) requested: \$22.5M
- This is based on the following estimates:
 - PMO and corporate services: \$10.0M
 - Quarantine services providers forward payments \$10.0M
 - Contingency \$ 2.5M
- This will allow the establishment of 2000 places available after 14 weeks.

Seed Round Pre-subscription & Placement Commitment

- We are seeking forward purchase of quarantine beds to enable set up of SPV and cover approximately \$22.5M of establishment costs
- Pre-subscription will provide priority placement in quarantine facility (maximum expected intake of 8,000 places this calendar year)
- We require commitments and cash no later than 1 September to enable mobilisation.
- Oversubscriptions can be sold back to the SPV at 100% of cost purchased
- Pre-subscribing organisations will be given a position on the SPV Board & shares

Additional Notes

- Establishment efforts are targeting upfront financial subscriptions from Mining, Oil & Gas, agriculture
- Places could be subsidised via levies imposed on student visas
- Higher quality facilities expected to be provided post-establishment Phase

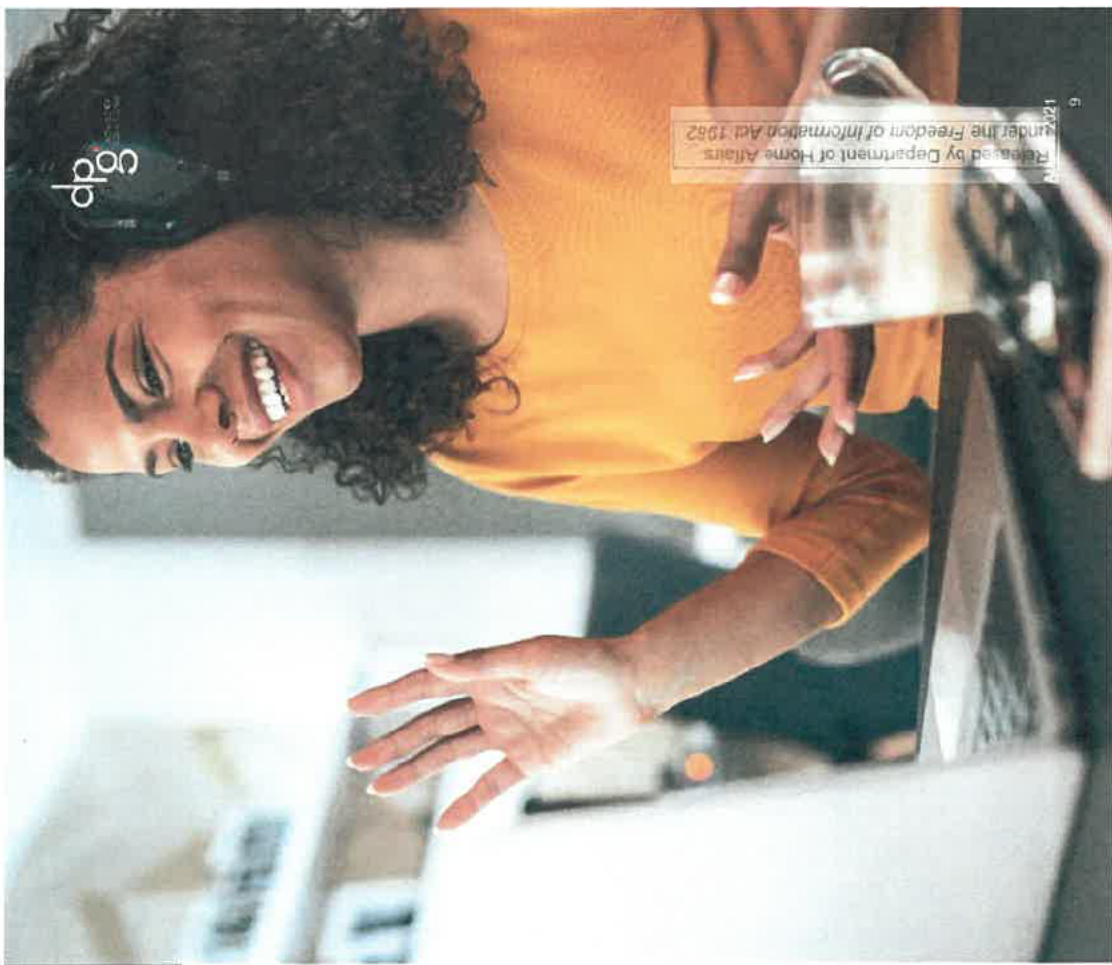
Seeking your Commitment

We are seeking questions and feedback for our further consideration to enable us to obtain your commitment so we can begin establishing the SPV in early September.

Questions

Comments

Commitment



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14/07/2021

Thank you

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dpdp

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Temporary Quarantine for Skilled Workers Initiative

Initial Strawman on Potential
Business and Operating Model
August 2021

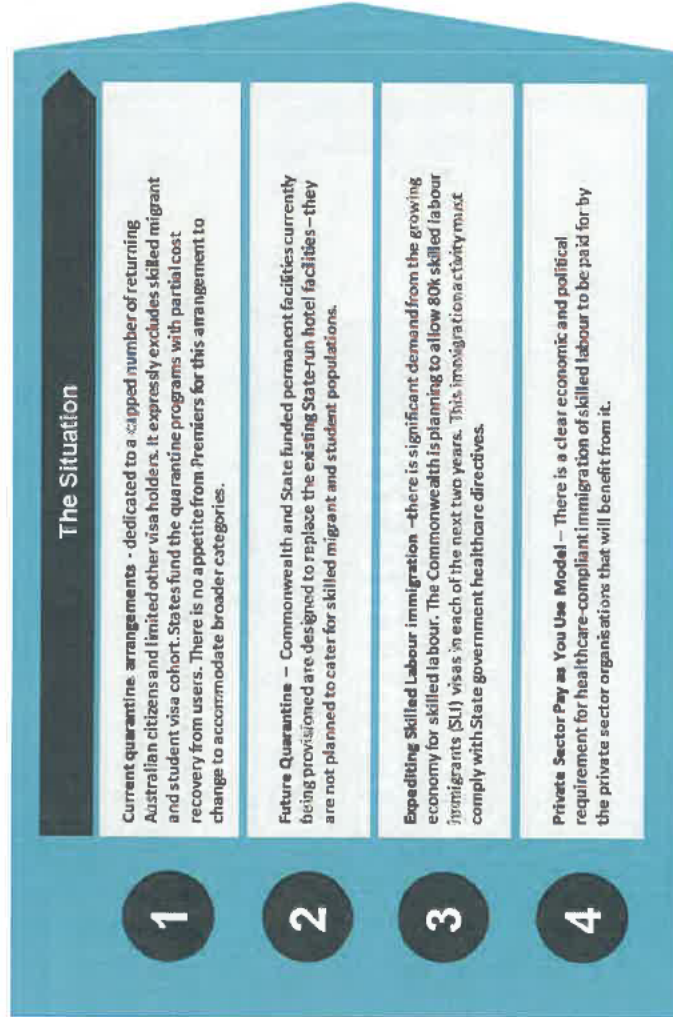
Version: 2.0
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Overview



There is a critical requirement for a private sector entity to provide quarantine services to enable the private sector to expedite the migration of skilled workers into the Australian economy.



The Solution

Private Sector Funded Quarantine - The private sector establishes a user funded and operated quarantine service capable of processing up to 80k SLIs a year, together with student visa holders, in State government compliant facilities across Australia.

End-to-End Processing of Skilled Immigrants - The service may include end-to-end processing from visa requests and PCR tests, through transport of SLIs from Australian entry hubs to quarantine facilities (accommodation, food and security included), and transport after two weeks' quarantine to their labour location.

Support for a wide set of industries - This service should be available to any industry requiring skilled labour. The service model should support varying levels of quarantine and lower margin industries being subsidised by levies on student visa immigrants using the service.

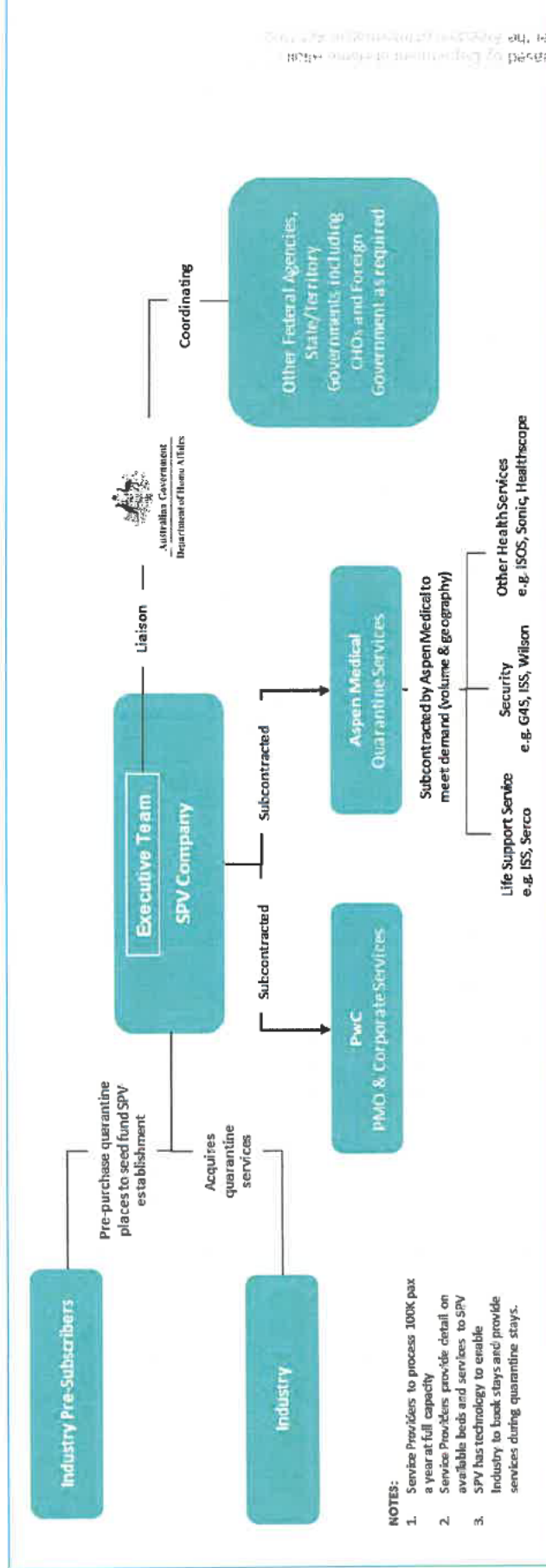
Government Backlog - government backed commitments on priority processing of skilled labour applications, and student visas, to provide reasonable expectation of throughput. Visa granted only upon proof of a pre-booked space in a recognised Quarantine facility.

Prepared by Department of Home Affairs
August 2021

SPV Leadership Framework



To enable the rapid establishment of service provision, we propose the establishment of a SPV funded by presubscriptions to the service. The SPV will have two core service providers; PwC providing PMO and corporate services, and Aspen Medical coordinating the delivery of quarantine services.



SPV Principles

The SPV will be operated on a not-for-profit basis and be created by PwC under the following principles:

Corporate Structure

- Private Australian company resident in AET, with a low valuation with no intention to make profit, rather provide services at fixed rate, the costs of which to be equal to service costs + minimal operating costs.
- Ownership limited to those pre-subscribing for "beds". Pre-subscriptions will fund establishment costs.
- May be eligible for DGR or other charitable treatment.

Operating Governance

- CEO (likely sole employee of SPV).
- Chair a prominent Australian not associated with ownership who can assist with CHD sign off.
- Board of 6 excluding chair, with four owners and two independents.
- Industry council of business leaders reporting to CEO to raise industry concerns.
- External Audit by non-Big4 entity to encourage wider industry involvement.

Service Provision

- Overarching principle of independence from the state systems, not depriving returning Australians of a place in the quarantine queue
- All quarantine, transport and security services to be provided by the SPV to industry on transparent terms.
- Bookings mapped against Government Skills priorities, with the Service model supporting a cross across varying priority sectors, health, aged care. Students also accommodated.
- SPV to subcontract PwC, and Aspen Medical to provide quarantine services by "sub-priming" to other service providers to reduce the ability of facility owners taking advantage of a limited number of beds.

Temporary Quarantine for Skilled Workers Initiative

Requirements of Government

- Official acknowledgement for the industry-led creation and running of the SPV.
- A formal commitment from Government to ensure priority visa and exemption processing for applicants in key cohorts to allow throughput to meet capacity.
- Alignment of booking in an SPV operated facility (or other similar approved scheme by limited exception) with the travel exemption process, which is consistent with the current temporary skilled prioritisation model.
- State and Territory Governments approve quarantine options and service provision arrangements (health, security).

Role of PwC

- Establishment of corporate structure, business/corporate processes and technology (Salesforce service cloud and Microsoft ERP).
- PMO for establishment of business, and for ongoing operation.
- Corporate leadership and operation of corporate services including technology.
- Liaison with subscribers and industry to assist in establishment/turning of business.

Role of Aspen Medical & Quarantine Service Providers

- Delivery of health and quarantine services including medical assistance, accommodation, food and facility services. The subcontracted security services (including facilitation of state and federal police as required).
- Delivery through Australian entry hub to quarantine facility and to place of employment on completion of quarantine. Potential for overseas hub routing as required for additional cost.
- The subcontract will be structured to allow Aspen Medical and other suppliers to retain all IP provided and developed during the completion of the services.
- Management of compliance with state and territory health and security compliance requirements.

August 2021

4

Government Role



While the SPV is an entirely private sector owned and managed entity, there is still a need for government involvement, endorsement and commitment.

Endorsement of Approach

There is an imperative for the Federal Government to publicly support the SPV's creation and its operations as a mechanism to enable the continued growth of the Australian economy. This show of support should be performed jointly with the key leaders of the Federal Government, of the SPV, and leading private industry SPV investors. The SPV expects to continually liaise with the Federal and State and Territory governments on its operations to provide confidence as to its service delivery quality (via regular audits of facilities).

Coordination with the States and their CHOs

The operations of the SPV are highly dependent on coordination with, and endorsement of, the operations by State and Territory CHOs. It will be a requirement of the Federal Government to facilitate this coordination to provide confidence to State health departments as to the quality of operations as well as facilitate their endorsement of the approach.

Expediting Visa Processing

A key success criteria for the SPV will be the processing of skilled labour immigrants (SLIs) through quarantine facilities to meet the requirements of industry in a timely manner. Given the high number of visa requests for skilled workers expected at launch of the SPV services, there is a requirement for a formal commitment from Home Affairs to expedite the processing of agreed visa types.

Liaison with Foreign Governments

There may be a requirement for foreign government involvement in particular activities of the SPV and its operations. To ensure appropriate protocols are adhered to there will be a need for the Federal Government to facilitate these in a timely manner.

Commitment to Entry Volumes

To enable quarantine service providers to commit to a unit price, there is a requirement for them to have confidence on the potential volume of visa holders permitted into the country during the SPV's lifecycle. There will be a clear dialogue between the Commonwealth and the SPV on relative skill priorities and evolving policy settings.

ROM Cost Estimate for Establishment Phase



We estimate the Establishment Phase will take approximately 14 weeks with a seed funding requirement of approximately \$22.5M. This will provide 2000 places by beginning of Week 15.

Scope of Establishment Costs

- PMO and corporate services includes creation of business, establishment of business operations and required technology, formal procurement, government and industry liaison.
- Establishment of facilities to initial capacity of 2000 beds increasing to full capacity to process 100,000+ pax per year. This will include provision of accommodation, food, security and transport from entry hub to labour location.
- At this time the cost of insurance for impaired services driven by changed Federal or State/Territory policy or health order has not been included (other risk mitigation strategies are being developed).

Estimated Establishment Cost

- Total estimated establishment costs: \$22.5M
- This is based on the following estimates:
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 - Contingency: \$ 2.5M
- This will allow the establishment of an initial 2000 places available after 14 weeks.

Proposed Fee per Bed (ex GST)

- Base fee for accommodation & food only per bed at a facility: \$7.5 – \$10K
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- Potential for additional advisory services.

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Additional Notes

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Seeking your Commitment

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Questions

Comments

Commitment



Thank you

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Industry Quarantine Initiative for Skilled Workers & Students

Initial Business and Operating
Model
September 2021

Version: 3.0
For Review by Industry

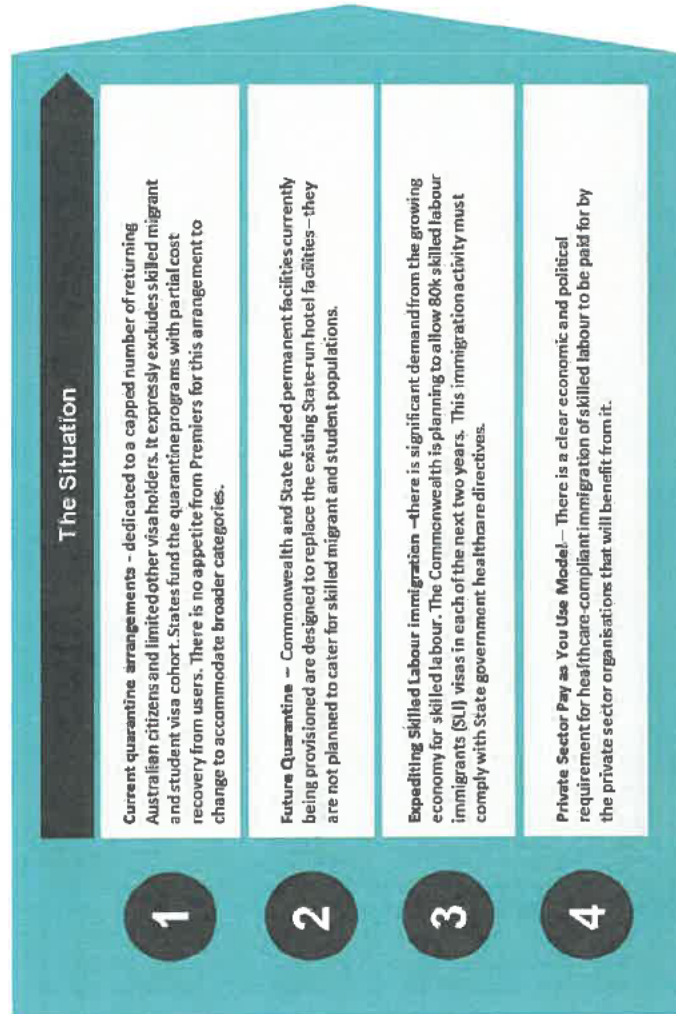


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Overview



There is a critical requirement for a private sector entity to provide quarantine services to enable the private sector to expedite the migration of skilled workers into the Australian economy.



Private Sector Funded Quarantine - The private sector establishes a user funded end operated quarantine service capable of processing up to 80k SLIs a year, together with student visa holders, in State government compliant facilities across Australia.

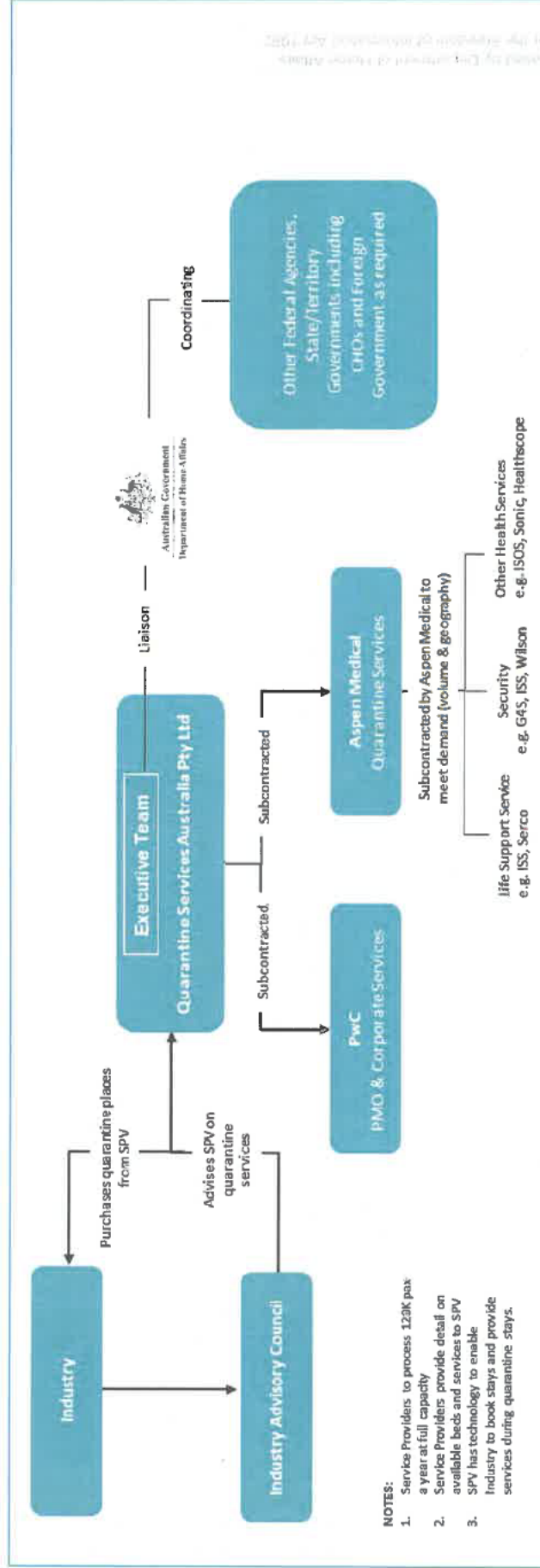
End-to-End Processing of Skilled Immigrants - The service may include end-to-end processing from visa requests and PCR tests, through transport of SLIs from Australian entry hubs to quarantine facilities (accommodation, food and security included), and transport after two weeks' quarantine to their labour location.

Support for a wide set of industries - This service should be available to any industry requiring skilled labour. The service model should support varying levels of quarantine and lower margin industries being subsidised by levies on student visa immigrants using the service.

Government Backing - government backed commitments on priority processing of skilled labour applications, and student visas, to provide reasonable expectation of throughput. Visa granted only upon proof of a pre-booked space in a recognised Quarantine facility.

SPV Framework

An SPV has been created to facilitate the service provision. Set up of operating systems for the SPV is funded by pre-subscriptions to the service by Industry. The SPV will have two core service providers; PwC providing PMO and corporate services, and Aspen Medical coordinating the delivery of quarantine services.



SPV Principles

DPG recommended the establishment of an Industry funded SPV, to engage and manage service providers on behalf of Industry; and provide quarantine services to industry. The SPV will operate under the following principles:

Overarching Principles

- SPV to operate on a not-for-profit basis. Funded by Industry for Industry.
- Decoupled from existing quarantine regimes so it doesn't impose additional burden on states or deprive returning Australians of a place in state run quarantine systems.
- Service Excellence to meet stringent State requirements for health, security and standard of care.
- Commonwealth support through priority visa processing and travel exemption scheme.
- Provide industry with confidence to plan workforce requirements.

Access Principles

- Equality of access; no participant in skilled labour scheme will be treated differently to another in relation to access to services, however a range of accommodation options will be provided reflecting the broad nature of the skilled labour program.
- Transparent and open pricing. Rate cards available via online marketplace. Independently audited.
- Technology enabled; system designed to accommodate complex multi-party requirements, manage throughput, and match capacity to demand.

Supply Principles

- Network of quarantine facilities to mitigate against point-in-time shutdowns in specific jurisdictions. Agile approach to enable pre-approved facilities to be stood up on short notice to provide continuity of service.

Quality and Standards

- Aspen Medical will provide oversight and quality management of all quarantine facilities, including Partners and Subcontractors' services and operations, according to their policies and procedures:
 - All rooms to be assessed and validated for hygiene and infection prevention control by approved personnel using an audit checklist after each cohort's rotation;
 - Regular checks on devices and equipment in accordance with OEM instructions;
 - Checks to ensure adequate stock of consumables, PPE and cleaning products maintained onsite.
- Facilities to meet standards set by Aspen Medical for:
 - Size, capacity, segregation, ventilation and room configurations, including opening windows and balconies
 - Adequate parking, ingress and egress for ambulances and buses, including large reception area for processing arrivals and departures;
 - Separate access and storage areas for service providers' staff, laundry and clinical waste and green zone operations;
 - Security management.
- Site security provision determined by States and Territories, e.g. off-duty police personnel or approved security providers.

Location of facilities

- Location of quarantine facilities to meet Aspen Medical's standards on:
 - Environmental suitability;
 - Access to, and distance from, airports and ground transport;
 - Proximity to tertiary hospital facilities;
 - Proximity to nearby service providers, including food providers, clinical waste contractors and cleaning contractors.

SPV Operation

The SPV will be Governed under the following principles:

Corporate Structure

- Private Australian company resident in ACT, with a low valuation and no intention to make profit. Services provided at fixed rates, the costs of which to be equal to service costs + minimal operating costs.
- Ownership limited to those pre-subscribing for "beds" or their nominee. Pre-subscriptions will fund establishment costs and recoupment of these costs amortized over expected first year cohort.
- Unlikely to meet DGR status.

Governance

- Lean Management. CEO, COO, Chair, Directors and Special Advisors likely only paid staff.
- Chair with business and medical credentials who can assist with obtaining CHO sign off.
- Board of 6 (excluding Chair), four representing shareholders and two independents.
- Advisory council of Peak-industry leaders guiding SPV and providing a forum to address industry concerns.
- External Audit by non-Big4 entity to encourage wider industry involvement.

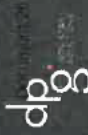
Role of PwC

- Establishment of corporate structure, business/corporate processes and technology (Salesforce service cloud and Microsoft ERP).
- PMO for establishment of business, and for ongoing operation.
- Continued operation of corporate services including technology run.
- Liaison with subscribers and industry to assist in establishing/running of business.

Role of Aspen Medical & Quarantine Service Providers

- Delivery of health and quarantine services including medical assistance, accommodation, food and facility services. The subcontracted security services (including facilitation of state and federal police as required).
- Delivery through Australian entry hub to quarantine facility and to place of employment on completion of quarantine. Potential for overseas hub routing as required for additional cost.
- Management of compliance with state and territory health and security compliance requirements.

Government Role



While the SPV is an entirely private sector owned and managed entity, there is still a need for government involvement, endorsement and commitment.

Endorsement of Approach

There is an imperative for the Federal Government to publicly support the SPV's creation and its operations as a mechanism to enable the continued growth of the Australian economy. This support should be performed jointly with the key leaders of the Federal Government, of the SPV, and leading private industry SPV investors. The SPV expects to continually liaise with the Federal and State and Territory governments on its operations to provide confidence as to its service delivery quality (via regular audits of facilities).

Expediting Visa Processing

A key success criteria for the SPV will be the processing of skilled labour immigrants (SLIs) through quarantine facilities to meet the requirements of industry in a timely manner. Given the high number of visa requests for skilled workers expected at launch of the SPV services, there is a requirement for a formal commitment from Home Affairs to expedite the processing of agreed visa types.

Commitment to Entry Volumes

To enable quarantine service providers to commit to a unit price, there is a requirement for them to have confidence on the potential volume of visa holders permitted into the country during the SPV's lifecycle. There will be a clear dialogue between the Commonwealth and the SPV on relative skill priorities and evolving policy settings.

Coordination with the States and their CHOs

The operations of the SPV are highly dependent on coordination with, and endorsement of, the operations by State and Territory CHOs. It will be a requirement of the Federal Government to facilitate this coordination to provide confidence to State health departments as to the quality of operations as well as facilitate their endorsement of the approach.

Liaison with Foreign Governments

There may be a requirement for foreign government involvement in particular activities of the SPV and its operations. To ensure appropriate protocols are adhered to there will be a need for the Federal Government to facilitate these in a timely manner.

ROM Cost Estimates



We estimate the Establishment Phase will take approximately 8-14 weeks with a seed funding requirement of approximately \$13.5M. This will provide 2000 places by beginning of Week 15. Pilot Operations to commence earlier.

Scope of Establishment Costs

- PMO and corporate services includes creation of business, establishment of business operations and required technology, formal procurement, government and industry liaison.
- Establishment of facilities to initial capacity of 2000 beds increasing to full capacity to process 120,000+ pax per year. This will include provision of accommodation, food, security and transport from entry hub to labour location.
- At this time the cost of insurance for impaired services driven by changed Federal or State/Territory policy or health order has not been included (other risk mitigation strategies are being developed).

ROM Fee per Bed (ex GST)

- Base fee for accommodation & food only per bed at a facility : \$7.5 - \$10K
- Approximate fee including domestic transport and security: \$10 - \$12.5K
- Costs may reduce with service quality level (camp, hotel, cruise ship)
- Costs may also fluctuate based on seasons, scarcity of facilities and labour/ increasing demand etc.
- Potential for optional additional advisory services on commercial rates to reduce overall costs (whole of travel concierge, specialist immigration advisory).

Estimated Establishment Cost

- Total estimated establishment costs: \$13.5M
- This is based on the following costs:
 - PMO and corporate services setup: \$10.0M
 - Initial Cash flow for Services providers \$2.0M
 - Contingency \$1.5M
- This will allow the establishment of an initial 2,000 places available in 8-14 weeks.

Proposed Funding Arrangements



We are seeking between \$13.5M for the Establishment cost by way of pre-subscription for a placement.

Scope of Establishment Costs

- PMO and corporate services includes creation of business, establishment of business operations and required technology, formal procurement, government and industry liaison.
- Establishment of facilities to initially enable 2000 beds increasing to approximately 6000 based on demand. This will include provision of accommodation, food, security and transport from entry hub to labour location.
- At this time the cost of insurance for impaired services driven by changed Federal or State/Territory policy or health order has not been included.

Requested Total Seed Funding

- Total seed funding (TSF) requested: \$13.5M
- This is based on the following estimates:
 - PMO and corporate services: \$10.0M
 - Quarantine services providers forward payments \$2M
 - Contingency \$1.5M
- This will allow the establishment of 2000 places available after 14 weeks.

Seed Round Pre-subscription & Placement Commitment

- We are seeking forward purchase of quarantine beds to enable set up of SPV and cover approximately \$13.5M of establishment costs. These costs will be recouped by amortising the costs over the first 50,000 cohort.
- Pre-subscription will provide priority placement in quarantine facility (maximum expected intake of 8,000 places this calendar year).
- We require commitments and cash no later than 16 September to enable mobilisation.
- Oversubscriptions can be sold back to the SPV at 100% of cost purchased.
- Pre-subscribing organisations will be given a position on the SPV Board & shares.

Other Relevant Discussions

- We have engaged PwC, Aspen Medical and Salesforce, as well as specialist IT advisors who are all working at risk on pre-establishment of the SPV
- We have been seeking to harmonise work efforts and set in place key personnel in relation to the SPV. To that end, discussions have been held with:

- BCA - SPV Director and Chair of Industry Council
- Australian Tech Council - Industry Council Member
- Minerals Council Australia - Industry Council Representation
- National Farmers Federation - Industry Council Representation
- Universities Australia - Industry Council Representation
- TTE - Industry Council Representation
- APPEA - Industry Council Representation

- Further discussions have been held with target Key Personnel
 - Dr Christine Bennett AO - Chair
 - Jane Halton AO PSM - Special Counsel to SPV

Additional Notes

- Establishment efforts are targeting upfront financial subscriptions from Mining, Oil & Gas, agriculture.
- Higher quality facilities expected to be provided post-establishment Phase.
- Working with Insurance Brokers on appropriate cover for impeded services - subject to cost

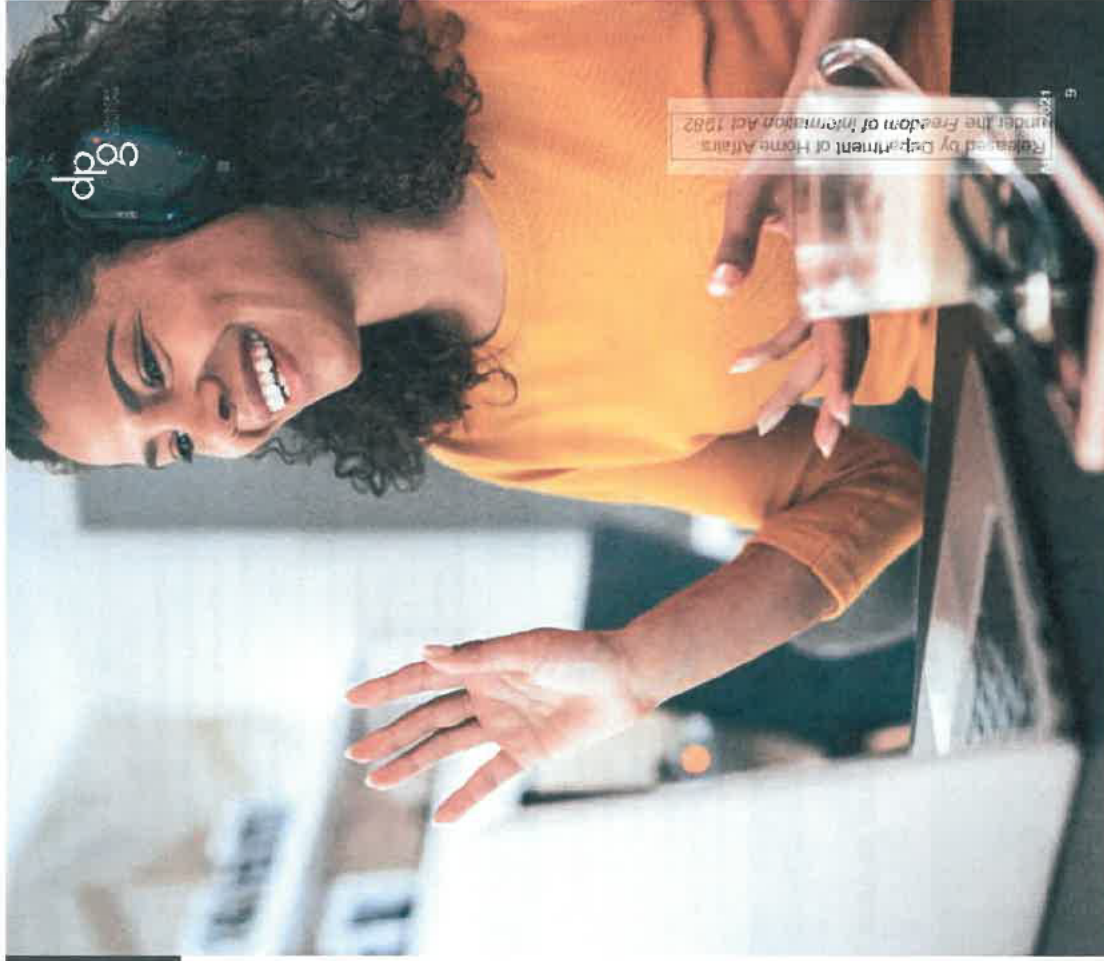
Seeking your Commitment

We are seeking questions and feedback for our further consideration to enable us to obtain your commitment so we can begin establishing the SPV in early September.

Questions

Comments

Commitment



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Thank you

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