



Committee Secretary
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600

Submission to the Committee

Thank you for the invitation to make a submission to the inquiry into the Department of Home Affairs' Procurement of the Permissions Capability.

For clarity, BCG was not involved, in any capacity, in the Permissions Capability or the associated procurement processes.

However, we note the Committee's terms of reference encompass the multi-stage procurement process for a new IT workflow system to manage the processing of Australian visa applications that commenced in 2017. As outlined in *Auditor-General Report No. 34 of 2022–23 - Procurement of the Permissions Capability* and the Department of Home Affairs' submission to this inquiry (6 February), we understand the multi-stage process includes the Global Digital Platform (GDP) procurement (2017-2019) that preceded the Permissions Capability procurement (2020-2022). The Department of Home Affairs engaged BCG to support several aspects of visa reform from September 2015 through to August 2019, and during part of this period this included work on the GDP from August 2017 to July 2018.

We take the confidentiality of our work with all government clients extremely seriously. The information confidential to the Department provided in this submission has been provided with the authorisation of the Department to enable the Committee to understand our role and scope of work in relation to the GDP, noting again that BCG was not involved, in any capacity, in the Permissions Capability or the associated procurement processes.

We are committed to supporting the Committee in this important work.

Yours sincerely,

BCG Australia
February 2024



Overview of BCG's work with the Department of Home Affairs on visa processing systems

For clarity, BCG was not involved, in any capacity, in the Permissions Capability or the associated procurement processes.

The Department of Home Affairs engaged BCG as an advisor for departmental reform, including visa reform, from September 2015 to July 2017, and as an advisor for visa reform specifically from August 2017 to August 2019.

BCG was selected as the successful tenderer on both occasions following a competitive tender process, where there were proposals from multiple alternative suppliers, under Advisory Services Panel (SON947871).

The Department accepted all BCG deliverables under each contract, and to the best of our knowledge, we understand that the engaging Departmental executives and teams were highly satisfied with the quality, impact and value of BCG's work.

First advisory contract – September 2015 to July 2017

From **September 2015 to July 2017**, BCG supported the Department as an advisor to the Visa Reform Implementation taskforce. Our work included supporting the Taskforce to develop a first pass business case for a new visa service delivery system. The preparatory work and business case for visa reform were informed by BCG's knowledge, experience and expertise, including but not limited to frameworks, global benchmarks and experience supporting public service delivery agencies and analogous organisations in Australia and around the world. We supported the Taskforce to translate government policy into aligned objectives for the implementation of visa reform, including developing quantified risk analysis. We also supported analysis and quantification of the cost and value of visa reform, including fiscal and economic uplift for Australia, Departmental efficiencies and productivity benefits, reduced operational risk, the retirement of technical debt, and improved client experience for visa applicants and visa sponsors.

As part of the first pass business case process, we supported the Taskforce to develop initial requirements for a modernised visa service delivery system, informed by best practice public service delivery solutions and technological advances. We also supported the assessment of alternative implementation options to address constrained internal ICT capacity and capability. We assisted the Taskforce in developing a Market Consultation Paper and approach to test the feasibility of industry playing a role in reform implementation, informed by analysis of how their capabilities and business models may align with Departmental needs. This potential pathway was of interest to government in view of ongoing internal resource and funding constraints.

Throughout the contract period, BCG delivered capability-building support to the Department in key areas, including business case development, benefits and risk



analysis, cost modelling, stakeholder engagement, requirements definition, and market analysis. Our approach included side-by-side learning in joint teams with the Department, on-the-job coaching and skills and knowledge transfer with Departmental staff, and co-development of key deliverables.

The approach and first pass business case received government approval.

Second advisory contract – August 2017 to August 2019¹

Following a second competitive tender process, the Department once again selected and engaged BCG as an advisor to its reform program in **August 2017**. Our work included supporting the Taskforce to prepare a second pass business case for overall visa reform and develop the business requirements for the end-to-end visa process, as input to the requirements for the Global Digital Platform (GDP). The detailed business case was informed by BCG's knowledge, experience and expertise, including but not limited to, frameworks, global benchmarks and experience supporting public service delivery agencies and analogous organisations in Australia and around the world. We built on the work in the first pass business case to develop more detailed cost modelling, benefit analysis and quantified risk analysis including fiscal and economic uplift for Australia, Departmental efficiencies and productivity benefits, reduced operational risk, retirement of technical debt, and improved client experience for visa applicants and visa sponsors. The GDP business requirements developed were detailed foundational requirements for any future technology platform to support visa processing.

We further supported the Taskforce and its other advisors to develop a plan for the Department's approach to market for the GDP procurement. As described by the Australian National Audit Office and the Department of Home Affairs², this market approach by the Department included a request for expressions of interest (REOI) process that ran from September 2017 to July 2018 and included a co-design process with two down-selected tenderers. Demonstration of industry's capability to meet the Department's business requirements through the REOI process was key to the decision to proceed to RFT stage. The Department then ran a request for tender (RFT) process from December 2018 until its termination in March 2020.

BCG's formal role supporting the GDP ceased in July 2018 at the conclusion of the work to develop GDP business requirements as input to the Department's second pass business case.

BCG's engagement at all times was consistent with our values and integrity policies and procedures, which are closely aligned to those of the Australian Public Service. To

¹ The original contract end date was 31 December 2019, however final work was completed in August 2019.

² Auditor-General Report No. 34 of 2022–23- Procurement of the Permissions Capability; Department of Home Affairs submission to the inquiry into the Procurement of the Permissions Capability, 6 February 2024.



the best of our knowledge, we are not aware of any probity concerns, breaches or conflicts of interest in relation to these REOI and RFT processes.

For the avoidance of doubt and to provide clarity, BCG:

- was not a member of any evaluation committee for REOI responses;
- was not involved in issuing the RFT in 2018;
- did not participate in any RFT tender evaluation or engagement activities.

From May to August 2019, the Department engaged BCG under the same advisory contract for visa reform to assist the Taskforce in defining a suite of potential changes to the costing of visa services, a project that was distinct from the GDP procurement. During this period, we also supported the Taskforce to develop a high-level review considering overall progress of visa reform. This did not extend to BCG undertaking any detailed analysis of the GDP program itself.

In December 2019 the Department contacted BCG to discuss options for further advisory support to the Department, and with a view to this, the Department extended the end-date permissible for potential work from 31 December 2019 to 31 May 2020. However, no work was commissioned by the Department or undertaken.

BCG's actual support to the Department therefore concluded in August 2019, that is, more than six months before the government's March 2020 decision to pursue a new policy and approach to the technology solution for visa processing.

Throughout, BCG delivered capability building support to the Department in key areas including business case development, benefits and risk analysis, cost modelling, stakeholder engagement, requirements definition, market analysis and procurement. Our approach included side-by-side learning in joint teams with the Department, on-the-job coaching with skills and knowledge transfer with Departmental staff, and co-development of key deliverables.

Permissions Capability

BCG had no involvement, in any capacity, in the Permissions Capability or the associated procurement processes.