

Offshore Processing & Resettlement Arrangements

Introduction	2
Recommendations	3
Background and historical context (2013 - 2019)	3
Sexual and physical violence	4
Medical neglect and mental health deterioration	5
Material deprivation	5
Financial mismanagement	6
Conditions in offshore processing (2022 - today)	7
Republic of Nauru	7
Current cohort	7
Contractors and service provision	8
Living conditions and material deprivation	8
Failures of healthcare	9
Safety risks and exposure to violence	10
Papua New Guinea	11
Current cohort	11
Australia's secret funding arrangements	11
PNG Humanitarian Program and lack of financial accountability	11
Humanitarian and health crisis following service cessation	12
Health impacts	13
New funding deal and PNG Sustainable Settlement Program	13
Housing, employment and safety risks	14
Refugees with complex needs	14
Health risks and inadequate healthcare	15
The Nauru deal and deportations	15
Payments made to contractors, subcontractors and Governments	16
Republic of Nauru	16
Papua New Guinea	17
Breach and circumvention of Commonwealth Procurement Rules (CPR)	19
Circumventing review processes by extending contracts	20
Conclusion	21

Introduction

Founded in 2001, the Asylum Seeker Resource Centre (ASRC) is Australia's largest independent aid and advocacy organisation for people seeking asylum and refugees. Our services include legal, casework, housing, medical, education, employment and emergency relief. Based on what we witness through our service delivery, we advocate for change alongside refugees to ensure their human rights are upheld.

The ASRC operates Australia's longest-running detention casework service, the Detention Rights Advocacy Program (DRAP), and has supported people subjected to offshore processing since the introduction of the "Pacific Solution" in 2001.

DRAP has worked intensively with people seeking asylum and refugees in offshore detention from 2013 until today - supporting women who were violently sexually assaulted on Nauru, children and their families who were experiencing severe psychological deterioration and self harm to facilitate their evacuation to Australia, and coordinating the response to the Medevac law.

DRAP currently provides daily casework and emotional support to people in offshore processing Nauru, and to the men who remain in Port Moresby after having been transferred there by Australia over a decade ago.

Through decades of this direct engagement, the ASRC has deep expertise around the corruption, mismanagement of funds, systemic abuse and human rights violations arising from Australia's offshore processing regime in the Republic of Nauru and Papua New Guinea, where Australia has externalised its obligations under the Refugee Convention.

The ASRC welcomes the opportunity to provide this submission to the Legal and Constitutional Affairs References Committee.

We note that the scope and powers of this inquiry are limited, and a Royal Commission would be more effective as it would have the power to compel key people to give evidence and to require the production of documents. For those who benefit from the policy of offshore processing, it is in their interest to avoid scrutiny.

There have already been several Senate Inquiries into offshore detention, including in 2014 following the death of Reza Berati in Manus Island, in 2015 following allegations of sexual assault against women in Nauru and the deportation of Save the Children workers from Nauru, and in 2016 following abuse and self-harm in Nauru. None of these inquiries have led to significant change, and the trajectory of offshore processing and the harm it causes has continued.

The only way to truly uncover the extent of the financial and moral misconduct in offshore detention is to require evidence to be produced. While some whistleblowers have come forward, many have not, as people fear criminal prosecutions and losing employment - the burden should not be on individual staff members to risk their financial and professional wellbeing to achieve transparency.

Recommendations

Recommendation 1: Immediately evacuate people currently in Papua New Guinea (PNG) who were transferred there by Australia, including family members, to safety in Australia for urgent medical treatment, and provide them with necessary supports and a clear and swift pathway to permanency for those who do not have resettlement options.

Recommendation 2: End the policy of sending people seeking asylum by sea to offshore detention on Nauru. Transfer those currently there to Australia and process applications for protection in the community. People found to be refugees should be permanently and swiftly resettled.

Recommendation 3: Cease all deportations to Nauru from our community, and repeal the enabling legislation.

Recommendation 4: Establish a Royal Commission into Australia's immigration detention regime.

Background and historical context (2013 - 2019)

"Still I am like a cracked mirror trying to collect all the pieces and put myself back together. Offshore detention hurt us so badly that it takes many years to recover. Still I am struggling now after everything I went through, doing my best to rebuild my life." - Refugee formerly detained on Nauru, currently living in the community in Australia.

The conditions that have developed over the last decade of offshore processing have directly shaped the way the policy operates today - corruption, exploitation, and financial mismanagement flourish in circumstances where there is no transparency and accountability. The ongoing lack of access by journalists, oversight bodies, Parliamentarians and stakeholders over many years has created a culture of moral and financial impunity in which contracts are rorted, politicians are emboldened to engage in corrupt conduct, and people detained are abused and exploited.

This abuse and exploitation has taken many forms, including:

- **The death of 14 people:** At least one man has been murdered in the Manus Island detention centre, and many others have died by suicide or as a result of medical neglect.
- **Sexual and physical violence:** Men, women and children have been sexually exploited at the hands of staff working for detention service providers and men in the Nauruan community.¹
- **Medical neglect:** lack of access to diagnostic and specialist treatment has meant that serious physical and mental health conditions have been left untreated for unsafe periods of time.²

¹ Australian Women in Support of Women on Nauru, 2016, <https://asrc.org.au/2016/07/22/protection-denied-abuse-condoned-women-on-nauru-at-risk-report/>

² ASRC, Cruelty by Design, 2024, https://assets.nationbuilder.com/asrccampaigns/pages/3472/attachments/original/1721280178/ASRCreport_Healthcrisisinoffshoredetention_July2024.pdf?1721280178

- **Severe mental health deterioration:** there has been extreme levels of self harm and suicide attempts in offshore processing, including a self harm and resignation syndrome contagion affect among children in 2018.
- **Material deprivation for profit:** men, women and children have been denied clothing, access to food and drinking water, and appropriate shelter so that corporate entities can retain profit.³

Sexual and physical violence

Women and children in offshore processing were subjected to pervasive sexual exploitation and gender-based violence, driven by severe protection failures within detention facilities and the broader community. The ASRC supported **dozens of women who reported sexual harassment, assault, and rape, often perpetrated by individuals in positions of authority**, including security guards, healthcare staff, and local officials.

Between 2015 and 2018, the ASRC received **45 allegations of sexual assault and harassment involving women and children**, with perpetrators including the Republic of Nauru hospital staff, International Health Medical Services (IHMS) staff, security officers and Nauru Police Force (NPF) officers. Women were watched while showering, and were regularly sexually harassed by security officers, often at night time in their tents or while accessing the bathrooms. ASRC has also received allegations of **sexual violence used against men as a means of humiliation and torture**.

Over 2,000 leaked incident reports **exposed the scale of abuse, with more than half involving children**.⁴ These incident reports only included those that were witnessed or disclosed to staff - however abuse was significantly underreported due to fear of retaliation and the absence of safe reporting mechanisms, so it is expected that the scale is much larger.

Women recognised as refugees were placed in isolated and insecure community housing, which further exposed them to sexual violence and exploitation, with perpetrators rarely investigated or held accountable by either Australian or Nauruan authorities.⁵ **To this day, not a single perpetrator has been brought to justice.**

Even now, while working with women who were detained in offshore processing, ASRC regularly receives new disclosures from women who have been detained on Nauru in the past. These disclosures include allegations of sexual abuse of themselves or their children, gang rape and requests for **sexual favours in exchange for meeting basic material needs**.

Men in the Manus Island detention centre suffered from a significant lack of physical safety, with one man **murdered by PNG officials and service provider staff** during a riot.⁶ Even when moved outside of the centre, both on Manus Island and Port Moresby, men have reported being

³ ASRC, Finish This Crisis, 2023, https://asrc.org.au/wp-content/uploads/2023/07/ASRC23-Finish-This-Crisis.pdf?utm_source=Media+contact&utm_campaign=741a6be0c3-MediaRelease_07052020_COPY_01&utm_medium=email&utm_term=0_2f5f078c69-741a6be0c3-&mc_cid=741a6be0c3&mc_eid=UNIQID

⁴ The Nauru files: cache of 2,000 leaked reports reveal scale of abuse of children in Australian offshore detention, <https://www.theguardian.com/australia-news/2016/aug/10/the-nauru-files-2000-leaked-reports-reveal-scale-of-abuse-of-children-in-australian-offshore-detention>

⁵ Australian Women in Support of Women on Nauru, 2016, <https://asrc.org.au/2016/07/22/protection-denied-abuse-condoned-women-on-nauru-at-risk-report/>

⁶ ABC News, Reza Barati death: Two men jailed over 2014 murder of asylum seeker at Manus Island detention centre, 2016. <https://www.abc.net.au/news/2016-04-19/reza-barati-death-two-men-sentenced-to-10-years-over-murder/7338928>

subject to attacks, robbery and physical violence in the community. **With 27 men remaining in Port Moresby, these men and their families continue to experience this danger today.**

Medical neglect and mental health deterioration

Offshore processing was and is still characterised by **systemic medical neglect**, with inadequate access to timely and appropriate healthcare, particularly for people with complex needs.⁷ Requests for medical treatment were frequently ignored, especially for non-English speakers, and mental healthcare was grossly insufficient despite widespread trauma, self-harm, and suicidality.

In 2019 the ASRC conducted a review into IHMS health records of 49 critically ill people on Nauru and Manus. The review found that the majority have been waiting for 2 to 3 years, with some Overseas Medical Requests made by clinicians more than 5 years ago.⁸

Children experienced extreme psychological harm, with at least 30 developing Resignation Syndrome as a result of prolonged illness, untreated trauma, and inadequate care. More than 24 children required emergency medical evacuation to Australia for hospitalisation, transfers that the Australian government consistently sought to obstruct. In 2018, **the ASRC was working with over 100 children on Nauru who were experiencing thoughts of self-harm or suicidal ideation.**⁹

"...that is not offshore detention, that is not a processing centre, that is a suicide centre... Even the kids learnt about suicide. The kids should be in the park, they should be in the education centre but the kids were in a jail and they were watching people kill themselves." - Anonymous refugee on his time in Nauru Detention Centre.

Women who became pregnant as a result of sexual violence were **denied access to reproductive healthcare**, including abortion, which is illegal in Nauru, and were actively prevented from accessing medical care in Australia. These failures led to severe, long-term physical and psychological harm, including chronic suicidality and lasting health deterioration.¹⁰

Material deprivation

Through its work supporting people subjected to offshore processing in Nauru and Papua New Guinea, the ASRC documented **systemic deprivation of basic material needs**. Detention conditions were unsanitary and unsafe, with inadequate access to food, clothing, shelter, hygiene, and basic living necessities. Elderly people and those with physical injuries were forced to sleep on camping cots without mattresses, and **women were denied suitable clothing, including underwear and maternity clothing**. Children often had insufficient clothing, including shoes.¹¹

People with disabilities, children, survivors of torture, and elderly persons were not provided with the additional material supports required to meet minimum standards of care. Families slept in overcrowded, mouldy tents that reached extraordinarily high temperatures with limited access to

⁷ ASRC, Cruelty by Design, 2024, https://assets.nationbuilder.com/asrccampaigns/pages/3472/attachments/original/1721280178/ASRCreport_Healthcrisisinoffshoredetention_July2024.pdf?1721280178

⁸ ASRC, 2019, <https://asrc.org.au/2019/02/08/people-waiting-two-years-for-medical-transfer/>

⁹ ASRC, Child Trauma on Nauru - The Facts, 2018, <https://asrc.org.au/2018/08/28/child-trauma-on-nauru-the-facts/>

¹⁰ Australian Women in Support of Women on Nauru, 2016, <https://asrc.org.au/2016/07/22/protection-denied-abuse-condoned-women-on-nauru-at-risk-report/>

¹¹ Senate Inquiry Submission of Natasha Blucher, Parliament of Australia, p. 11, 2015 https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Regional_processing_Nauru/Regional_processing_Nauru/Submissions?main_0_content_1_RadGrid1ChangePage=5_20

fans. Rooms were divided with hanging sheets and tarpaulins, creating situations where there was no privacy or safety from incursions into private living spaces.

Access to food was limited to particular times, meaning that families could not provide enough appropriate food for children. Access to water was limited to 'water points' around the camp, with only small cups provided, so that it was necessary to walk distances in the heat to drink a cup of water. Pregnant women received insufficient food to meet nutritional requirements.

In 2017, the ASRC visited PNG and Manus Island and witnessed deteriorating physical conditions of 421 men at the RPC. Of these, 150 were suffering serious illnesses after more than two weeks without access to clean water, food, medicine, first aid and power.¹²

Financial mismanagement

The horrific human rights abuses experienced by people seeking asylum in PNG and Nauru, **often at the hands of private contractors**, expose this **unethical and wasteful use of public money**. In 2013, over \$5 million was spent on a water treatment facility on Nauru, and yet people seeking asylum have no access to clean drinking water.¹³

From 2013 to 2019, the Department contracted International Health and Medical Services (IHMS) to deliver health services on Nauru for approximately \$389 million.¹⁴ Furthermore, from 2018 to 2019, Pacific International Hospital was paid over \$42 million to provide health services in PNG.¹⁵ This means **over \$400 million was spent on health services**; however, people seeking asylum in Nauru and PNG experienced **medical neglect, inadequate healthcare or mental health support**. Many, including children, experienced severe mental illness and suicidality.

From 2017 to 2019, Canstruct International was contracted for over \$1 billion to provide "garrison and welfare services" on Nauru.¹⁶ Broadspectrum was also paid over \$2.5 billion from 2014 to 2017 for "welfare support services for the Manus and Nauru RPCs."¹⁷ This means **over \$5 billion was spent on security and welfare services**. However, people seeking asylum were not provided with adequate food, water or shelter, and **experienced violence and abuse, including sexual abuse** experienced by women and children. **IHMS were named as perpetrators** of violence against women on Nauru in 2019, whilst they were contracted by the Department.

From 2013 to 2014, Transfield Services was paid over \$300 million for "Operational and Maintenance Support Services" on Nauru.¹⁸ From 2013 to 2014, over \$59 million was spent on refugee accommodation in Manus.¹⁹ This means **over \$350 million was spent on maintenance and accommodation**; however, people seeking asylum on Nauru **lived in destitution in unsanitary and unsafe conditions**.

¹² <https://asrc.org.au/wp-content/uploads/2013/04/071217-ASRC-PNG-Visit-November-2017-Report.pdf>

¹³ AusTender, 2013, <https://www.tenders.gov.au/Cn/Show/6e7d18b4-be10-f5e8-b06e-fef3e5d0c88c>

¹⁴ AusTender, 2019, <https://www.tenders.gov.au/Cn/Show/bd25dad7-5443-4109-8243-82aec3bfa593>

¹⁵ AusTender, 2018, <https://www.tenders.gov.au/Cn/Show/06e9a388-d32f-e89e-1b15-ba07634f8dda>

¹⁶ AusTender, 2019, <https://www.tenders.gov.au/Cn/Show/4e3090fc-05e0-420c-988c-d12cdfd5b80a>

¹⁷ AusTender, 2014, <https://www.tenders.gov.au/Cn/Show/1013ccbe-92a3-d1d4-722e-c39fcbf61b39>

¹⁸ AusTender, 2013, <https://www.tenders.gov.au/Cn/Show/ff333a82-9bba-6f2c-bb06-c1d095449748>

¹⁹ AusTender, 2013, <https://www.tenders.gov.au/Cn/Show/381f0c1a-00fc-094b-bb4c-bd5632bee7e5>

Submission of Asylum Seeker Resource Centre

A staggering amount of money has been spent on construction in PNG and Nauru, with Canstruct paid **over \$295 million from 2013 to 2017 for construction services on Nauru**.²⁰ Yet women seeking asylum reported **flimsy showers and a lack of lighting**, which made offshore detention inherently unsafe.²¹ While the Department spent \$20,000 on "bedclothes and table and kitchen linen",²² **women were denied underwear, and children had insufficient clothing**.

This raises serious concerns regarding how Australian taxpayer dollars were spent and whether these contractors provided value for money, as people seeking asylum in detention did not receive the services paid for. The Australian National Audit Office has **consistently found "shortcomings" in the Department of Home Affairs' "procurement processes and the management of the resulting contracts"**.²³ The most recent performance audit concluded the Department had **"poor record keeping" and "unreliable and unverifiable data"**.²⁴ The Department did not meet performance targets addressing quality failures regarding the "Nauru Health Services Contract and the Nauru Facilities, Garrison, Transferee Arrivals and Reception Services Contract".²⁵

Conditions in offshore processing (2022 - today)

People seeking safety by sea in Australia, including women, children and men, continue to be transferred by the Australian Government to offshore detention in the Republic of Nauru to have their refugee claims processed, under the policy of offshore processing. The Australian government has also begun deporting people released from onshore immigration detention on a Bridging Visa R following the High Court's NZYQ ruling to Nauru, under the new Home Affairs Legislation Amendment (2025 Measures No. 1) Act 2025. Thirteen years after they were exiled by the Australian government to Manus Island detention centre in 2013, 27 refugees and people seeking asylum remain, abandoned by the Australian government.

The harms of offshore detention are well documented, including fourteen deaths, widespread abuse, medical neglect and suicide contagion among children. A UN Human Rights Committee recently reaffirmed that Australia remains responsible for those held offshore - yet the government continues outsourcing accountability to Nauru, and abdicating responsibility to the PNG government for refugees remaining there.

Republic of Nauru

Current cohort

"We can't see our future, everyone is uncertain, everyone is afraid, they ask 'what will happen to us?' Will they forget us, just leave us here? How many years, 10 years?" - Anonymous person seeking asylum currently trapped in Nauru.

²⁰ AusTender, 2013, <https://www.tenders.gov.au/Cn/Show/e3d82625-9f83-a155-a36c-fa0952256fb4>; AusTender, 2015, <https://www.tenders.gov.au/Cn/Show/3156cef9-ce80-c741-e5d7-beb83b3444e7>

²¹ Australian Women in Support of Women on Nauru, 2016, p. 4 <https://asrc.org.au/2016/07/22/protection-denied-abuse-condoned-women-on-nauru-at-risk-report/>

²² AusTender, 2014, <https://www.tenders.gov.au/Cn/Show/b187b402-c614-0e5b-aba7-5dfcc58eec82>

²³ ANAO, 2025, <https://www.anao.gov.au/work-program/portfolio/home-affairs>

²⁴ ANAO, 2026, <https://www.anao.gov.au/work/performance-statements-audit/performance-statements-of-major-australian-government-entities-outcomes-of-2024-25-audit-program>

²⁵ ANAO, 2026, p. 117 <https://www.anao.gov.au/work/performance-statements-audit/performance-statements-of-major-australian-government-entities-outcomes-of-2024-25-audit-program>

Submission of Asylum Seeker Resource Centre

After a decade of offshore detention in Nauru, **by June 2023 the Australian Government evacuated the last refugees**. However, the policy of offshore processing remained in place and the Government continued to pour millions of dollars into keeping an empty detention centre open. **Transfers to Nauru recommenced in September 2023**.

As of January 2026, there are approximately **105 or more refugees and people seeking asylum held in Nauru**, many of whom have been **detained for more than two years**. New arrivals are held in closed, prison-like detention in RPC-1, where a small group remains detained. Once released from RPC-1, people are transferred to RPC-3 or community accommodation, where approximately 90 people currently live in impoverished conditions.

People are arbitrarily and indefinitely held, with no information provided about timelines or processes. Some individuals have already been recognised as refugees, yet **no resettlement pathways are available to them**, with the New Zealand and United States arrangements closed.

Contractors and service provision

"Life on Nauru is so tough. We have concerns about the fairness of the refugee determination process. Our mental health is not good and we rely on medicines to live our daily life. There is no certainty about the future and what may happen to us. With the small financial allowance no one can afford three meals a day. We have to pay for food, internet, mobile phone, TV charges, clothes and shoes. We have spoken to authorities to request an increase in the financial allowance, and our requests were ignored." - Anonymous person seeking asylum currently trapped in Nauru.

The Nauru Government is responsible for processing applications for protection. Management Training Corporation (MTC) Australia provides garrison, facilities, reception and welfare services. Only recognised refugees are afforded work rights.

People receive a basic stipend and have access to limited healthcare through International Health and Medical Services (IHMS) and the Republic of Nauru hospital. Eigigu Solutions, a local supermarket business, provides limited assistance with transportation and case management.

Despite the exorbitant amount of public money provided to contractors to deliver services in offshore detention, people seeking asylum receive **wholly inadequate care** and continue to experience serious human rights abuses.

Between July 2022 and January 2025, the Australian Government spent \$972.6 million on offshore processing on Nauru. In the 2025–26 Budget, the Government allocated a further \$581 million for offshore processing. Since 2012, offshore detention has cost Australian taxpayers more than \$13 billion. The lack of transparency and allegations of corruption raise serious concerns about the integrity and value for money of these arrangements.

Serious governance concerns exist regarding the allocation and use of public funds. Contractors such as Management Training Corporation, a US prison operator which has been accused of bribery, fraud and money laundering by the state of Mississippi, have received \$790 million in taxpayer funds.

Submission of Asylum Seeker Resource Centre

In August 2025, a Finks bikie gang leader was awarded \$40 million in security and policing contracts. In addition, the Albanese Government committed at least \$2.5 billion in taxpayer funds to the Nauruan Government to accept deported people affected by the High Court's NZYQ ruling, with no publicly available information about the details of the deal. These arrangements raise serious concerns about corruption, governance failures and mismanagement of public funds, particularly given the deprivation experienced by people seeking asylum.

Living conditions and material deprivation

People seeking asylum in Nauru have **reported severe destitution and food insecurity**. People in the community are attempting to survive on \$260 per fortnight to cover food, water, phone and internet costs. Many people are going hungry and rely on fishing to survive. Fishing nets are frequently destroyed or stolen by locals, and when people attempt to grow food, their gardens are damaged. There is **no access to safe drinking water** without boiling.

Blackouts and loss of water are common. Around 45 residents at the Budapest Hotel community accommodation have experienced recent and regular blackouts and water outages. People were unable to keep themselves cool in hot, humid conditions, leading to illness. Refrigerated food perished, and people were unable to purchase replacement food until their next allowance, eleven days later.

Many people have been detained since 2023, and with the length of time they have been on Nauru, their health and wellbeing deteriorates. The period of time people have been held on Nauru varies between 13 months and 30 months:

- 15% have been on Nauru for 25-30 months (more than two years)
- 78% have been on Nauru for 20-23 months (nearly two years)
- 7% have been on Nauru for 13-15 months (about a year)

People report being pressured to accept return packages to their countries of origin, with no transparency around assessments of risk of persecution or harm. At the same time, people recognised as refugees have no access to resettlement pathways, leaving them trapped in indefinite limbo and ongoing material deprivation.

Failures of healthcare

"When we go to the hospital they are tortured – they are pointing to each other – Republic of Nauru (RON) hospital say go to IHMS and IHMS say go to RON, they are pointing to each other. They treated us like animals they didn't give chance to explain our problem." - Anonymous refugee recently transferred to Australia from Nauru for medical treatment, two years after urgent medical transfer was needed.

Refugees and people seeking asylum have consistently reported inadequate healthcare in Nauru. Almost \$1 billion has been spent on health services, yet 100% of the people the ASRC works with who are held in Nauru have suffered physical or mental health deterioration, and many experience severe mental health conditions.

In 2025-26 a range of serious health conditions were reported, with **93% reporting physical health issues** including: coronary issues, tumours, lung infections, unmanaged diabetes, nerve

Submission of Asylum Seeker Resource Centre

damage, abscesses, dental pain, anal bleeding, hearing difficulties, high cholesterol, hepatitis B, gastric issues, urinary tract infections, persistent coughing, rashes and dermatitis, loss of appetite and unexplained hair loss.

Mental health deterioration is also significant, with **95% reporting mental health concerns** including: suicidality, panic attacks, trauma, severe depression/anxiety, insomnia, memory impairment, cognitive decline and persistent rumination.

Current healthcare limitations in Nauru include **delayed access to specialist assessment** and treatment, limited and delayed dental care, no inpatient psychiatric care facility, no MRI equipment essential for emergency diagnosis, no after-hours or weekend primary care, no air ambulance stationed on the island, inadequate mental health support, issues with access to medications, and no experienced specialist torture and trauma counselling provider. IHMS is only able to provide basic pathology (blood and urine tests). **The Republic of Nauru hospital is ill-equipped to manage emergencies**, with inadequate equipment and diagnostics, poorly trained staff, deteriorating infrastructure, and an inability to perform all required surgeries.

"When we first came to Nauru we were healthy. The longer we are here, the more sick we become and we cannot get treatment here on Nauru. We cannot afford to eat three meals a day. There is no resettlement for us. We are scared and we don't know what will happen to us." - Anonymous person seeking asylum, currently in Nauru.

The longer people remain in Nauru, the further their physical and mental health deteriorates, creating escalating risks to life.

ASRC provides support based on a risk rating determined through social work assessment, and these risk levels show a picture of deterioration over time spent held in Nauru:

Time	25 - 30 mths	%	20-23 mths	%	13 - 15 mths	%
High	1	8%	15	22%	2	33%
Med	5	38%	37	55%	3	50%
Low	7	54%	17	24%	1	17%
Total	13		69		6	

ASRC is currently supporting people experiencing persistent chest pain who have waited months to see a cardiologist, individuals waiting six months for dental treatment despite being in pain, and people waiting indefinitely for MRI scans that cannot be conducted on Nauru.

There is a lack of transparency around medical transfers and the process, and whether the Overseas Medical Referral pathway still exists. As at 31 August 2025 in Senate Estimates the

Submission of Asylum Seeker Resource Centre

Department revealed that no individuals were being considered for medical transfer from Nauru to Australia.²⁶

Failures in case management compound healthcare access issues. Refugees have consistently reported that Ebigu Solutions does not provide adequate support, including reliable transportation to appointments. This has resulted in some people going without healthcare for months because it is too far or too dangerous to travel independently with unreliable transport.

Safety risks and exposure to violence

People seeking asylum in Nauru report escalating violence and insecurity. At least 16 recent incidents of assault, threats and theft have been reported to the ASRC. Despite more than \$2 billion being spent on private contractors to deliver garrison services in Nauru since 2022, people continue to experience assault and theft in both detention and community settings.

People have also reported discriminatory treatment by Management Training Corporation, including allowing people from one cultural group to video conference family members in RPC-1 while denying this to people from another cultural group. This differential treatment contributes to heightened distress and a lack of safety and dignity in detention and community settings.

Papua New Guinea

Current cohort

Of the 1,353 people the Australian Government exiled to Manus Island in 2013, **27 refugees and people seeking asylum remain in Port Moresby** as of February 2026, many with partners and children. They have been held offshore for more than thirteen years. After years of prolonged detention, family separation, human rights abuses and neglect, many are severely traumatised and extremely unwell, with serious physical and mental health conditions. Resettlement has been minimal and slow, and many people are **too unwell to meaningfully engage in or consent to resettlement processes**. Some individuals are acutely mentally unwell, including people in catatonic states, and are at risk of death.

Australia's secret funding arrangements

Australia formally ended offshore processing in Papua New Guinea in December 2021, abandoning more than 100 refugees and people seeking asylum whom it had exiled to Manus Island in 2013 and transferring responsibility for their welfare to the PNG Government. The Morrison Government entered into a confidential bilateral agreement with PNG, later identified by the Department of Home Affairs (DHA) as the Funding Arrangement Supporting Papua New Guinea's Independent Management of the Residual Regional Processing Caseload. The **existence of this agreement was not publicly disclosed at the time**²⁷.

Subsequent requests for information, including an ASRC freedom of information request, were refused on the basis that disclosure could damage Australia's international relations. **Neither the value nor the duration of the funding arrangement has ever been made public**. Funding was drawn from Australia's \$303 million irregular maritime arrivals offshore management budget.

²⁶ Senate Standing Committee on Legal and Constitutional Affairs, October 2025, SE25-0385.

²⁷ <https://www.theguardian.com/australia-news/2023/jul/22/morrison-government-png-asylum-seeker-deal-refugee>

The secrecy of this arrangement prevented effective public scrutiny, independent auditing, or accountability for the expenditure of Australian public funds.

PNG Humanitarian Program and lack of financial accountability

Under the funding arrangement, the PNG Humanitarian Program was administered by the PNG Immigration and Citizenship Authority (ICSA). The program was intended to provide accommodation, security, utilities, medical care, transport, case management, and financial and grocery assistance while refugees pursued status resolution and permanent solutions, including resettlement, settlement in PNG, or assisted voluntary return.

However, **no transparent reporting mechanism was established to demonstrate how funds were distributed or to whom payments were made.** This absence of accountability raised serious concerns about corruption and financial mismanagement within the program.

Throughout 2022 and into 2023, the Australian Government maintained that PNG was independently managing the remaining refugees. By mid to late 2023, refugees and media reporting revealed that service providers in PNG had not been paid for extended periods. **Significant arrears accrued for accommodation, healthcare, and essential services, despite Australia providing funding for refugee support.** This raised serious concerns that funds intended for humanitarian assistance were being **withheld, misdirected, or mismanaged.**

In early October 2023, PNG's chief migration officer warned that if the Australian government did not continue funding the PNG Humanitarian Program to cover accommodation, healthcare and other costs for 70 refugees and people seeking asylum left in PNG, Port Moresby would end the program and send them back to Australia, saying local service providers - including hospitals, security firms and motels - were owed tens of millions of dollars in unpaid bills. Australia maintained it had no ongoing responsibility for the men it sent to PNG in 2013–14 under its offshore processing regime, and funding from Canberra had ceased despite refugees facing eviction and deteriorating living conditions²⁸.

In October 2023 **a whistleblower within PNG's immigration authority alleged that Australian taxpayer funds intended for the PNG Humanitarian Program, had been depleted or gone missing.** He claimed private vehicles were "cross-hired" so as to disguise the beneficiaries of contracts, and relatives of senior officials were allowing their private vehicles to be hired through a front company, then claiming a personal benefit. The whistleblower also alleged that contracts were improperly awarded, without an open tender process, and given to companies with no experience providing the services required. He said **PNG police's fraud and anti-corruption directorate had started investigations into six complaints** made against the PNG immigration authority but that these had been **discontinued under political pressure.**

PNG's chief migration officer denied any evidence of wrongdoing and said the money was used legitimately by service providers, while Australian funding had largely run out, leaving services cut and providers owed millions of Papua New Guinean Kina²⁹. Shortly thereafter the PNG

²⁸ <https://www.theguardian.com/australia-news/2023/oct/07/png-threatens-to-send-refugees-back-to-australia-unless-it-pays-up-to-48m-in-expenses>

²⁹ <https://www.theguardian.com/australia-news/2023/oct/24/australian-funds-for-asylum-seeker-welfare-in-png-gone-missing-whistleblower-papua-new-guinea>

government announced it would formally investigate whistleblower claims prompting an audit into where the money had gone³⁰. However, the outcome has never been publicly disclosed.

Humanitarian and health crisis following service cessation

"I don't know what will happen, now that everything has finished. Food has finished and allowances have stopped, I'm scared about what's to come. I need a good life for my kids, I need to protect my kids and feed my kids. What will I do, if now or next week service providers kick me outside my house? I will have to sleep with my wife and kids in the street. I am very scared for my family because it is not safe if they kick us out from my apartment." - Refugee who remains on Papua New Guinea without any resettlement options.

In November 2023, approximately 60 refugees reported to the ASRC that **all services had ceased, triggering a severe health and humanitarian crisis** that persisted until the end of 2024. Refugees and their families lost access to financial assistance and food. Accommodation providers issued eviction notices due to unpaid rent and utilities, resulting in **homelessness and insecure housing**. People were **denied healthcare** at the Pacific International Hospital and were left without vital medications. Partners and children who were not PNG nationals were also excluded from access to critical healthcare.³¹

Port Moresby is one of the most dangerous cities in the world, and during this period refugees continued to experience physical assaults, armed robbery, muggings, and home invasions. Struggling to survive, people became entirely reliant on the goodwill and generosity of Australian individuals and charities, which kept them alive by providing for their basic needs and healthcare.

The lack of transparency and accountability in **the funding arrangements created conditions in which corruption or financial mismanagement could occur without detection**, while refugees bore the direct and severe consequences.

"We have been living in this situation for years with no proper medical facilities. The Australian government is spending a lot of money on health care and security, but we are not getting the care and support we need, we are dying here and we are not getting the support we are supposed to have." - Person seeking asylum currently held in Nauru.

Health impacts

"It is nearly twelve years we have been kept here in this hell. The pain is unbearable for one minute, what about twelve years? Resettlement is too slow. It is dangerous here and we are unsafe. I am not well and my mind does not work anymore. The Australian government must help us get out from here." - Refugee previously held in Papua New Guinea.

A 2023 ASRC health audit revealed extreme and ongoing health impacts among the group. Of refugees in PNG, **100% were experiencing physical health conditions**, and **88% were experiencing severe mental health conditions**. Diagnoses included heart disease, diabetes, post-traumatic stress disorder, anxiety, depression, and chronic suicidality. A small cohort is acutely mentally unwell, frail, and unable to care for themselves.

³⁰ <https://www.theguardian.com/world/2023/oct/31/png-corruption-claims-investigation-australia-funded-refugee-program-papua-new-guinea>

³¹ <https://asrc.org.au/2023/11/21/australian-government-must-act-now-to-evacuate-exiled-refugees-facing-immediate-homelessness-and-destitution-in-png/>

At least **11 men were, and still are, identified as complex cases with serious physical and mental health conditions requiring urgent medical evacuation to Australia**. Since 2021, the ASRC has lodged hundreds of risk notifications to the Minister for Home Affairs and the DHA detailing severe health conditions and risks to life, but these warnings have been ignored.

New funding deal and PNG Sustainable Settlement Program

In July 2024, the Australian Government announced **a new funding deal with PNG** for further capability support and funding to assist PNG's continued independent management and resolution of the residual caseload. This included working towards a sustainable settlement framework to support integration into PNG communities³².

Again, details of the agreement, including funding amounts and terms, were kept confidential. The Australian Government argued that disclosure could cause significant damage to the Australia - PNG bilateral relationship. Both the original funding arrangement signed on 16 December 2021 and the revised arrangement signed on 23 August 2024 are subject to a Public Interest Immunity claim made by the Minister for Home Affairs on 27 March 2025.

The PNG Sustainable Settlement Program commenced in December 2024 and **will cease in April 2026**. The program aims to transition people to settlement, promote independence and self-sufficiency. Refugees can access a stipend, accommodation, healthcare, training, and employment assistance. Case management is provided by PNG ICSA, with additional support for people identified as complex due to serious physical and mental health conditions.

Refugees in PNG report a disconnect between what services offer in theory versus the reality. The Pacific International hospital has overserved and under-delivered at exorbitant cost. Vanguard training and employment assistance started late in the program, and people reported difficulty accessing assistance. Many people have complained that they have reached out to their PNG ICSA case managers for support, and are not receiving the support they need, including assistance to find alternative accommodation.

Services and support reinstated under the PNG Sustainable Settlement Program are set to end after only sixteen months. This will affect the remaining refugees and people seeking asylum who have not been resettled to New Zealand or Canada and have no alternative but to remain in PNG, as these resettlement arrangements are now closed.

While the efforts of authorities to make the program effective are acknowledged, its conclusion will not represent a successful transition to settlement or independence. **The program has not achieved its stated objective of enabling self-sufficiency**. The underlying premise is flawed. **Many people are too unwell, physically and psychologically**, and have never had access to adequate healthcare, specialist mental health services, or long-term case management. There have been no sustained improvements in health or wellbeing, and in several cases conditions have deteriorated significantly, placing individuals at risk of further harm.

Although a PNG Transition Package of twelve months financial assistance will be provided to refugees at the end of the support period, this merely transfers responsibility and risk onto individuals without addressing systemic failures or providing the support necessary for recovery or independence.

³²<https://www.theguardian.com/australia-news/article/2024/jul/04/australia-to-strike-new-funding-deal-with-papua-new-guinea-to-manage-transferred-asylum-seekers>

Housing, employment and safety risks

"We are always on edge, always fearful, when is PNG immigration going to evict us? If they evict us there is no place we can go to. The financial allowance we are being offered is insufficient to rent a house. My daughter is 12 and she is growing, a cheaper house in remote countryside has no safety or security. Add the cost of food, healthcare, transport, utilities and the allowance will not cover it, I don't know what will happen to us." - Anonymous father of two currently held in Papua New Guinea with no resettlement options.

Safe and affordable housing in Port Moresby is almost impossible to find for people considered foreigners. Six families are required to secure alternative accommodation by the end of March 2026 with minimal support, or they are at risk of homelessness. Housing costs are unsustainable due to the high cost of living.

Uptake of the employment support has been low, particularly among unwell individuals. Jobs in PNG are scarce, local workers are prioritised, and informal work has been inconsistent, poorly paid, and financially unviable. Some refugees still lack work rights despite being willing and able to work.

Refugees continue to face **serious and ongoing safety risks**, including being **threatened at gunpoint or knifepoint, physical assaults, armed robbery, harassment and intimidation** affecting both individuals and families. Many report persistent fear that restricts basic daily activities such as walking to markets or accompanying children to school. The withdrawal of structured support increases exposure to these risks.

Refugees with complex needs

Following the end of the program PNG Sustainable Settlement Program, refugees with complex needs will be placed in shared community accommodation supported only by a fortnightly stipend, with access to inadequate healthcare through Port Moresby General Hospital. There is no clear provision for support to manage shared accommodation, ongoing clinical oversight, specialist mental healthcare, or intensive case management. These refugees are at risk of further health deterioration and death.

Health risks and inadequate healthcare

Port Moresby General Hospital (PMGH) is chronically overstretched and under-resourced, making it unsuitable for people with complex and ongoing health needs. As PNG's main referral hospital, it faces severe overcrowding, limited bed capacity, frequent shortages of medicines and basic supplies, unreliable infrastructure including power outages, and long waiting times for care. Even core services struggle to meet demand, with patients sometimes treated on floors and infection-control standards compromised. Staffing levels and access to specialist clinicians are inadequate, and the hospital lacks consistent capacity for advanced tertiary care, complex surgery, chronic disease management, and specialised mental health treatment.

Refugees and people seeking asylum stranded in Port Moresby have high-acuity health needs after years of offshore detention, including complex trauma, severe mental illness and untreated chronic conditions. These conditions require coordinated, multidisciplinary, and continuous care, which

PMGH is not equipped to provide reliably. As a result, relying on PMGH as the primary provider leaves refugees without adequate, timely, or appropriate healthcare.³³

The end of the PNG Sustainable Settlement Program does not represent a successful transition to a durable solution and independence. Instead, the program will end while refugees still have unresolved status, leaving unwell and vulnerable people facing insurmountable challenges without secure housing, adequate healthcare, or ongoing financial support. **Many face serious risks of homelessness, violence, severe harm, or death due to deteriorating health.** The program's conclusion heightens poverty, housing insecurity, and exposure to violence.

The Nauru deal and deportations

The newly passed Home Affairs Legislation Amendment (2025 Measures No. 1) Act 2025 law gives the Australian government sweeping new powers to deport people - stripping them of legal and human rights and tearing families apart without notice or right of reply. At the same time, **Australia quietly signed a secret deal with Nauru, worth between \$2.5 and \$7 billion,** to accept people forcibly deported from Australia - particularly those released from immigration detention on a Bridging Visa R, following the High Court's NZYQ ruling.³⁴ Under this arrangement, people will be resettled on 30-year visas. The government's approach currently seems to target NZYQ-affected people with offending histories; however, **it has the capacity to be used for up to 80,000 people in the Australian community.**³⁵

Recently, Transparency International Australia condemned the Australian Government's secrecy surrounding the new deal with Nauru. The international watchdog raised concerns regarding corruption and money laundering associated with Australia's offshore detention arrangements where "tax-payer money from Canberra...end up lining the pockets of Nauru's politicians", noting President David Adeang's alleged history of accepting foreign bribery.³⁶

Refugees deported to Nauru are **at risk of onward removal by Nauru**, despite Nauru being a signatory to the Refugee Convention, including to countries of origin where they may face serious harm. Nauru is also at risk of violating its own obligations under the Convention. The transcript of an interview kept secret by the Australian Government and recently released by the ASRC shows President of Nauru, David Adeang, stating the people to be transferred are 'not refugees' and may be returned home before the 30 years elapse.³⁷

³³ ABC News (2025). "PNG's Port Moresby maternity ward overcrowded: mothers and babies treated on floors."

<https://www.abc.net.au/news/2025-05-05/png-port-moresby-maternity-ward-neglect-mothers-babies-on-floor/105243126>

ABC News Pacific (2025). "Port Moresby General Hospital struggles with overcrowding and shortages."

<https://www.abc.net.au/pacific/programs/pacificbeat/png-port-moresby-general-hospital-struggles-/102419480>

The National (PNG) (2024). "Hospital wards need urgent upgrades to cope with demand." <https://www.thenational.com.pg/hospital-ward-needs-upgrade/>

NBC (PNG) (2025). "Power problems threaten patient safety at PMGH." <https://www.nbc.com.pg/post/31445/power-problems-threaten-patient-safety-at-pmgh>

Australian National University – Open Research Repository (2023). "PNG Health System: Challenges in resources, staffing, and service delivery." <https://openresearch-repository.anu.edu.au/bitstreams/83ce3e17-0d92-4268-9659-075b717f23bb/download>

³⁴ <https://www.refugeecouncil.org.au/first-deportation-under-multi-billion-dollar-nauru-deal-a-dark-new-chapter-for-australia/>

³⁵ <https://www.theguardian.com/australia-news/2024/nov/21/more-than-80000-at-risk-of-deportation-from-australia-to-third-countries-under-labors-new-bill-ntwnfb>

³⁶ Transparency International, 2025, <https://transparency.org.au/ti-australia-calls-for-accountability-over-nauru-resettlement-deal/>

³⁷ <https://www.facebook.com/republicofnauru/videos/interview-with-his-excellency-president-david-adeang-on-the-new-arrangements-wit/484804698020986/>

Submission of Asylum Seeker Resource Centre

Six people have already been deported to Nauru. **They appear to be held in RPC-3 under highly securitised conditions, with limited freedom of movement.** There is no publicly available information regarding their safety, health, or wellbeing, nor transparency around arrangements for their care and support.

Payments made to contractors, subcontractors and Governments

Republic of Nauru

Payments made by the Australian Government to major contractors since 2022:

Supplier name, contract period and CN ID	Description	Contract amendments
Canstruct International Pty Ltd (2017-2022) CN3460561	Provision of garrison and welfare services on Nauru	<ul style="list-style-type: none"> The original contract was \$8,199,160.60 Contract amended 7 times to extend term and increase value Contract increased to \$1,816,700,588.93 This is a 22057% increase Limited tender whereby "No submissions or value for money submissions received"
International Health Medical Services (IHMS) (2022-2027) CN3913553	Nauru health services	<ul style="list-style-type: none"> Original contract was \$33,317,686.35 Contract increased to \$94,353,530.77 This is a 183% increase Originally contracted from 2022 to 2025 Extended to 2027 in January 2025 without going to tender
Management and Training Corporation (MTC) (2022-2027) CN3914125 and CN3918654	Facilities, garrison and reception services in Nauru	<ul style="list-style-type: none"> The first contract was published in September 2022, lasting 1 year for \$4,680,140.51 The second contract was published in October 2022 for 2022-2027 for \$47,300,000.00 This was amended three times to extend and increase the value to \$786,545,654.20 This is a 1563% increase Extended without going to tender
Total amount: \$2,702,279,914	Original cost: \$93,496,987	2790% increase in total cost

Since offshore processing began, an exorbitant amount of taxpayer money has also been spent on items such as:

- \$79,200 for Nauru support team uniforms for two years.³⁸
- Approximately \$5.8 million was spent on "hotels and lodging and meeting facilities" from 2012 to 2014.³⁹

³⁸ AusTender, 2022, <https://www.tenders.gov.au/Cn/Show/e3815dcc-4e93-43c0-a715-747250cfdce5>

³⁹ AusTender, 2012, <https://www.tenders.gov.au/Cn/Show/2e662286-cd02-627e-cf15-d82010f8c7d8>

Submission of Asylum Seeker Resource Centre

- Approximately \$3 million was spent on network telecommunications and internet services on Nauru from 2012 to 2014, whilst people seeking asylum in closed detention cannot access mobile phones.⁴⁰
- \$270,000 for consultants to develop a five-year plan for Nauru.⁴¹
- Approximately \$77 million for “project administration or planning” on Nauru from 2014 to 2016.⁴²
- In 2012, almost \$160,000 was spent in one day on air charters between Brisbane, Nauru and Sydney.⁴³
- Approximately \$3 million on the “Mobilisation & Rental of Kitchen” on Nauru from 2012 to 2013,⁴⁴ whilst people seeking asylum did not have access to adequate food and pregnant women received insufficient amounts to meet nutritional requirements.⁴⁵

Papua New Guinea

There are no details on payments made to contractors in PNG since 2022, as the Australian government signed a Memorandum of Understanding (MOU) with PNG, and there is a lack of information and transparency around payments made for services directly by the PNG government. DHA refused to provide how much money had been given to PNG in Senate Estimates in February 2025, stating this information was confidential due to a Public Interest Immunity Claim made by the Minister for Home Affairs, Tony Burke.⁴⁶

Information on contracts between the PNG government and contractors is not accessible. However, ASRC clients in PNG have reported that service providers in the two programs after 2022 include:

PNG Humanitarian Services Program (2022-2023)⁴⁷

- Healthcare: Pacific International Hospital (PIH)
- Accommodation: MRT Holdings
- Case management: Chatswood
- Personnel recruitment: JDA Wokman/Applus
- ESI Logistics Ltd
- Security: Homa Security Pty Ltd

PNG Sustainable Settlement Program (Dec 2024 to now)

- Healthcare: Pacific International Hospital, Paradise Hospital, Port Moresby General Hospital
- Accommodation: Mahuru Seaview Hotel, Le Hunte Koki Apartments, Lodge10
- Training and employment assistance: Vanguard

⁴⁰ AusTender, 2013, <https://www.tenders.gov.au/Cn/Show/4a55e12d-a413-eba7-5be1-4be650617032>

⁴¹ AusTender, 2014, <https://www.tenders.gov.au/Cn/Show/d94d9d4d-e04b-39bf-3d97-1c8382793f43>

⁴² AusTender, 2015, <https://www.tenders.gov.au/Cn/Show/f8eb1a5a-93f1-3446-fb79-0feafd89432a>

⁴³ AusTender, 2013, <https://www.tenders.gov.au/Cn/Show/266482f7-eec2-ac39-dc13-b08efdfee62a>

⁴⁴ AusTender, 2012, <https://www.tenders.gov.au/Cn/Show/e5bd3590-c8fd-bc8b-f9be-10f69b10de7e>

⁴⁵ Senate Inquiry Submission of Natasha Blucher, Parliament of Australia, p. 11, 2015.

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Regional_processing_Nauru/Regional_processing_Nauru/Submissions?main_0_content_1_RadGrid1ChangePage=5_20

⁴⁶ Senate Standing Committee on Legal and Constitutional Affairs, February 2025, AE25-048.

⁴⁷ These are the ones we know about. We have received unconfirmed reports of others, however don't have any further information due to lack of transparency.

Submission of Asylum Seeker Resource Centre

- Case management: PNG Immigration and Citizenship Authority

Before 2022, payments made by the Australian Government to major contractors in PNG included:

Supplier name	Description	Contract amendments
International Crossover Pty Ltd (2013-2021) CN1313811	Protection claims assistance for transferees at regional processing centres on Nauru and Manus	<ul style="list-style-type: none"> • Original contract for \$1,402,974.01 • Date extended and value increased to \$18,813,049.02 • This is a 1240% increase in cost
Broadspectrum/Transfield (2014-2017) CN2163702	Operational, maintenance and welfare support services for the Manus and Nauru regional processing centres	<ul style="list-style-type: none"> • Original contract for \$2,110,422,550.10 • Date extended and value increased to \$2,586,868,872.00 • This is a 23% increase in cost
Pacific International Hospital (2018-2021) CN3513894 and CN3612374	The first contract (CN3513894) was from 2018-2019, and the second contract (CN3612374) was from 2019-2021, both for health services in PNG	<ul style="list-style-type: none"> • Original contract for \$4,830,437.48 • Date extended and value increased to \$42,559,930.64, which is a 781% increase in cost • The second contract was originally for \$12,781,783.21 • Date extended and value increased to \$106,526,285.92, which is a 733% increase in cost
Applus/JDA Wokman (2017-2021) CN3480113	Provision of settlement services in PNG	<ul style="list-style-type: none"> • Original contract for \$6,123,458.02 • Date extended and value increased to \$139,437,000.00 • This is a 2177% increase in cost
Total amount: \$2,894,205,138	Original cost: \$2,135,561,203	36% increase in cost

Breach and circumvention of Commonwealth Procurement Rules (CPR)

The offshore and onshore detention contracts between the DHA and service providers display a **lack of integrity in the procurement process that breach or circumvent the financial and ethical protections provided by the CPR.**

Submission of Asylum Seeker Resource Centre

The CPR are an instrument made by the Finance Minister that ensures government entities procure goods and services that are good value for money in an ethical and effective way. Core principles include procuring services that are **value for money**,⁴⁸ and which encourage **open and fair competition** amongst potential service suppliers.⁴⁹ There are a few rules that ensure this, including but not limited to:

- Contracts with no end date must allow for the government entity procuring the services to periodically review and terminate the contract if it does not represent value for money;⁵⁰
- Government entities are to procure services through an open tender, which means publicly inviting potential suppliers to submit bids for a contract. There are limited circumstances where a government entity can instead procure services through a limited tender,⁵¹ that is only approaching one or more potential suppliers to make a submission for a contract; and
- Currently, non-corporate government entities, such as the DHA can only procure through a limited tender if the expected value of a contract is above the threshold of \$125,000 and an exemption listed in Appendix A applies,⁵² or if a condition for a limited tender is met under section 10.3 of the CPR.⁵³

Our review of the offshore detention contracts on AusTender (see spreadsheet enclosed) shows the DHA has breached or circumvented the CPR by:

- **Extending contracts** with service providers to **circumvent the review process** of adequacy of services and contract value
- Contracts of **exorbitant value which breach the value for money principle**
- **Over-reliance** on paragraph 2.6 of the CPR as a **limited tender exemption**

Circumventing review processes by extending contracts

The DHA appears to engage in a common practice of extending a contract by amending the end dates to contracts by months or years, a process which is **not regulated** by the CPR. Some contracts have been amended numerous times to **keep extending the end date** and over **20 offshore detention contracts have been extended by this method**.

This method practically **enables the DHA to engage with a service provider indefinitely**, with no end date. However, as there are no regulations around the amendment and extension of contract periods, this means the DHA is **not required to engage in the financial and ethical protections** provided by the CPR such as going to tender to encourage open and fair competition amongst suppliers and periodically reviewing a contract to ensure a service is good value for money (which would otherwise be required for contracts with no end date, according to rule 4.16 of the CPR).

It is also alarming that the government would first engage certain suppliers and then extend their contracts without any cause for a review process, noting the history of human rights abuses of some service providers. For example, the DHA has **amended their contract with Management**

⁴⁸ Minister for Finance, *Commonwealth Procurement Rules* (17 November 2025), rule 4.

⁴⁹ Minister for Finance, *Commonwealth Procurement Rules* (17 November 2025), rule 5.

⁵⁰ Minister for Finance, *Commonwealth Procurement Rules* (17 November 2025), rule 4.16.

⁵¹ Minister for Finance, *Commonwealth Procurement Rules* (17 November 2025), rules 9.10, 10.3.

⁵² Minister for Finance, *Commonwealth Procurement Rules* (17 November 2025), rules 9.7(a).

⁵³ Minister for Finance, *Commonwealth Procurement Rules* (17 November 2025), rule 9.10.

and Training Corporation (MTC) three times to extend the duration and increase the original contract value by 1562.89%, all without going to tender.⁵⁴

The Centre for Public Integrity previously described this contract increase as “absurd”.⁵⁵ MTC is an American prison company that has a **well-documented history of human rights abuses** in prisons and detention centres, both internationally and in Australia, including sexual abuse, torture, excessive use of solitary confinement and medical neglect, which led to death.⁵⁶

Combined with the **allegations that MTC has engaged in bribery and fraud**,⁵⁷ and the drastic increase in contract value, it is impossible to justify this service provider as delivering adequate services that are also ‘good value for money’. However, by continually extending the end date of contracts, the DHA is able to circumvent quality and financial controls required by the CPR and unconscionably engage service providers despite significant increases in contract value and concerns with the adequacy of services - including human rights concerns.

Contracts with exorbitant value that breach the ‘value for money’ principle

The DHA has spent an exorbitant amount of money on onshore and offshore detention contracts, regularly signing contracts for millions of dollars. There is clearly a breach of the ‘value for money’ principle when the DHA continues to extend contracts that increase exponentially in cost over the original contract value. **Over 20% of 168 offshore detention contracts have been amended to increase the value of the contract** by a significant and concerning amount of the original value of the contract.

One example is the original project management contract with Canstruct Pty Ltd⁵⁸ which started on 8 November 2012 with an original value of \$70 million. It is not clear from AusTender when the end date of the original contract was. However, in December 2013, DHA amended the value of the contract to over \$309 million dollars and extended the contract to approximately November 2014. The contract period was extended again in November 2014. The overall contract consisted of **two changes to the end date and seven changes to the contract value**, costing the Australian government over \$355 million for project management services in Nauru between 8 November 2012 and 31 July 2016.

The enormous amount of money spent on the project management of Nauru does not represent “good value for money” and is a clear breach of the CPR. The multiple extensions of the contract, combined with the continued increases in contract value, raise serious concerns about **whether the DHA is amending contract end dates (rather than not including an end date) to avoid complying with rule 4.16**, which would have **required the DHA to review and terminate contracts if a service was not good value for money**. Importantly, the DHA

⁵⁴ AusTender, 2022, <https://www.tenders.gov.au/Search/KeywordSearch?keyword=+CN3918654>

⁵⁵ The Guardian, 2025, <https://www.theguardian.com/world/2025/sep/29/us-private-prisons-operator-paid-790m-to-hold-100-people-on-nauru-in-quiet-expansion-of-contract>

⁵⁶ NSW Government, 2022,

<https://www.parliament.nsw.gov.au/tp/files/82138/INSPECTOR%20CUSTODIAL%20SERVICES%20Parklea%20Correctional%20Centre%20Report%20%28002%29.pdf> ; US Department of Homeland Security, 2020, <https://www.oig.dhs.gov/sites/default/files/assets/2020-12/OIG-21-12-Dec20.pdf> ; California Attorney General, 2021, <https://oag.ca.gov/sites/all/files/aqweb/pdfs/publications/immigration-detention-2021.pdf> ; The Guardian, 2022, <https://www.theguardian.com/australia-news/2022/sep/05/the-egregious-history-of-likely-new-nauru-operator-includes-allegations-of-gang-and-in-its-us-prisons>

⁵⁷ The Guardian, 2023, <https://www.theguardian.com/australia-news/2023/jan/28/us-operator-accused-of-gross-negligence-wins-420m-contract-to-manage-australias-asylum-processing-on-nauru>

⁵⁸ AusTender, 2012, <https://www.tenders.gov.au/Search/KeywordSearch?keyword=+CN1078292+>

could have not extended the contract and instead sought submissions from other potential service providers through an open tender.

Relying on paragraph 2.6 of the CPR as a limited tender exemption

Over 55% of the DHA's offshore detention contracts were procured through a limited tender. Since January 2019, the DHA has been required to report on AusTender the relevant exemption or limited tender condition it relies on to procure via limited tender.⁵⁹ Rule 9.10 of the CPR states that limited tenders can only be conducted if a condition under paragraph 10.3 of the CPR is met or an exemption under Appendix A applies.

We have discovered several limited tender contracts on AusTender where the exemption listed is "paragraph 2.6 was applied in some part." Paragraph 2.6 provides that the CPR does not apply if the Department Secretary determines them "to be necessary for the maintenance or restoration of international peace and security, to protect human health, for the protection of essential security interests, or to protect national treasures of artistic, historic or archaeological value." This method of circumventing the procurement rules is particularly concerning, given the Secretary presiding over many of these contracts was Michael Pezullo, who was terminated for having 'used his duty, power, status or authority to seek to gain a benefit or advantage for himself', along with other breaches of the Australian Public Service Code of Conduct.⁶⁰

As a broad provision that enables any government entity not to be bound by the CPR, **paragraph 2.6 can be easily used and exploited.** This is reflected in the vague description of a limited tender exemption on AusTender that "paragraph 2.6 was applied in some part." The lack of detail reduces the transparency and accountability of why the DHA used a limited tender only, without needing to regard overarching economic and ethical principles provided by the CPR.

Conclusion

Australia's offshore processing regime has involved the expenditure of extraordinary amounts of public money over more than a decade, while consistently failing to deliver basic standards of safety, care, or accountability.

Since 2012, more than \$13 billion has been spent on offshore detention and related arrangements. Despite this, people detained in Nauru and Papua New Guinea have experienced prolonged deprivation, untreated illness, exposure to violence, sexual assault, exploitation and severe deterioration in physical and mental health. These outcomes have occurred repeatedly and over many years, across different contractors, governments and funding arrangements. It is clear that offshore processing is irreparable.

The financial arrangements underpinning offshore processing have been characterised by secrecy and almost no oversight. Contracts have expanded dramatically in value, often through repeated extensions without open tender, while key bilateral funding arrangements have been kept confidential. The Commonwealth has refused to disclose basic information about funding amounts, terms, and duration, relying on public interest immunity and claims of harm to international relations. Governments have operated this policy with an 'at any cost' attitude that extends to both

⁵⁹ Minister for Finance, *Commonwealth Procurement Rules* (17 November 2025), rule 9.11.

⁶⁰ Media statement on the inquiry into possible breaches of the APS Code of Conduct by Mr Michael Pezullo AO, 27 November 2023, <https://www.apsc.gov.au/about-us/working-commission/who-we-are/media-releases-and-statements/media-statement-inquiry-possible-breaches-aps-code-conduct-mr-michael-pezullo-ao>

the cost to the taxpayer and the extreme and well-documented harm caused to people seeking asylum.

It is clear that the only solution is an immediate end to the policy of offshore processing and the establishment of a Royal Commission to uncover the true extent of the harm and corruption that has been caused by successive Australian Governments.

Recommendation 1: Immediately evacuate people currently in Papua New Guinea (PNG) who were transferred there by Australia, including family members, to safety in Australia for urgent medical treatment, and provide them with necessary supports and a clear and swift pathway to permanency for those who do not have resettlement options.

Recommendation 2: End the policy of sending people seeking asylum by sea to offshore detention on Nauru. Transfer those currently there to Australia and process applications for protection in the community. People found to be refugees should be permanently and swiftly resettled.

Recommendation 3: Cease all deportations to Nauru from our community, and repeal the enabling legislation.

Recommendation 4: Establish a Royal Commission into Australia's immigration detention regime.