

Report on a page

In September 2021, the Queensland Government entered into an agreement for a regional quarantine facility after a 9-month period of negotiation and assessment of current pandemic conditions. The Queensland Regional Accommodation Centre (QRAC), also known as Wellcamp, operated under a lease to the Queensland Government from 4 February 2022. It was moved to care and maintenance on 1 August 2022 and was returned to the owner on 29 April 2023 when the lease expired.

Procurement process undertaken was reasonable

We reviewed the decision-making process for entering into the agreements for the construction and operation of QRAC. We considered the information available at that time and acknowledge the difficult circumstances and uncertainty associated with a global pandemic.

The cost of the lease and the capital contribution toward construction of QRAC paid by the Queensland Government substantively represented the service provider's cost to construct the facility. The Queensland Government considered available information in its decision-making processes, including risk assessments, valuations, and options.

Future quarantine needs should have been fully considered

In August 2021, National Cabinet agreed to the *National Plan to transition Australia's National COVID-19 Response* (National Plan). The National Plan provided for relaxation of quarantine requirements and removal of travel restrictions under 4 phases aligned with outcomes from vaccination programs. At the time (September 2021) of entering the contract, Queensland was progressing toward the vaccination rate targets included in the National Plan and the near-term relaxation of quarantine requirements.

While there was still significant uncertainty on the continuing impact of the pandemic at this time, alternates such as home and hotel quarantine were available. This should have been more fully considered at the time of entering the contract in September 2021 to better ensure value for money for taxpayers. Shortly after QRAC was opened to guests (February 2022), the final phase of the National Plan commenced. This significantly reduced the need for quarantining, resulting in only 730 people being accommodated in the facility.

The total cost of QRAC was \$223 million

The cost of constructing and leasing QRAC was \$198.5 million, including an upfront capital payment of \$48.8 million. The Queensland Government also paid \$14 million for facilities management services and \$10 million for health services. The Queensland Government's request for financial support from the Australian Government, which was not given, was based on an expected cost of \$776 million over 3 years.

Disclosure of information could be improved

The *Queensland Procurement Policy 2021* did not require disclosure of the contract for construction and lease of the QRAC facility on the Queensland Government's open data website. We believe that despite the confidentiality provisions in the agreements, the Queensland Government should have considered disclosing the total value of the arrangement once the agreements were signed.

The contract agreements for QRAC provided for disclosure of the relevant information to parliament and committees of parliament. While information was disclosed during estimates hearings of parliament, it was not disclosed in answering other questions on notice from members of parliament or in response to general inquiries.

There needs to be clear guidance for the circumstances under which contractual information can, and should, be released. We have made 3 recommendations about disclosing information.

