

Garden Island Defence Precinct – Industry Event Summary

On Tuesday, 2 May 2023, the Garden Island Defence Precinct (GIDP) Redevelopment Project team introduced the GIDP Project to the market as part of the Industry Briefing, at The Ivy Ballroom in Sydney.

An official welcome to country was initiated by Michael West, an Elder from the Metropolitan Local Aboriginal Land Council (MLALC). The event panellists and presenters included representatives from GHD, Maddocks, EY, Roberts Co, Ashurst, Royal Australian Navy and the Department of Defence.

Thank you again to everyone who registered and attended. This document contains the company attendee list, Slido poll questions and answers, a copy of the presentation, and the questions submitted to the panel and the answers to those questions.

Company attendees list

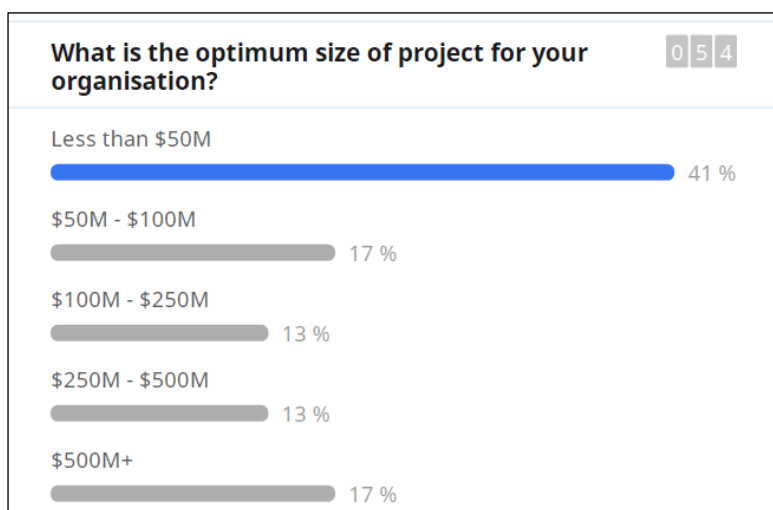
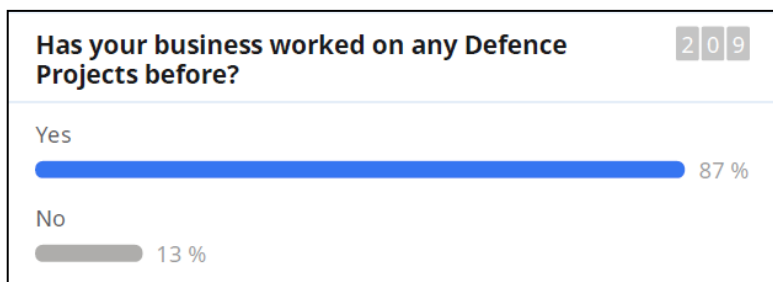
A W Edwards	Blackwoods	EDSICO Management	IPACE Infrastructure
ACCIONA	BOUW	Elysium EPL	(Defence)
Ace Infrastructure	Bouygues Construction	enstruct Group	IPP Consulting
ACOR Consultants	Australia	Environmental Earth	Jackson Teece
ADCO Constructions	Brockman Engineering	Sciences International	Jacobs Engineering
ADROITA	Buildcorp	EPTEC Defence solutions	Jibralta
Advisian	Built	Ertech	Johnson Pilton Walker
AECOM	BY Group	Ethos Urban	Johnstaff Projects NSW
Aerodrome Management	Cadpro Systems Australia	FDC Construction & Fitout	Jordi Construct
Services	Chandler Macleod	Flexiroc Australia	Joseph-Paul Rossi
Allan Aaron	Chubb Electronic Security	Frecklington Advisory	Katrina Dodd
Anevey Solutions	Chubb Fire & Security	Freyssinet Australia	KBR
Architectus Conrad	CMW Geosciences	FSC	KPMG
Gargett	Commonwealth Bank of	Fulton Hogan Construction	Laing O'Rourke
Arenco (NSW) Pty Limited	Australia	Georgiou	LCI
Arican	Cornerstone	Grimshaw Architects	Lendlease Construction
Arup	Corrosion Control	GroupGSA	Liam Hale
Atlantic & Peninsula	Engineering	Hall Contracting	Lucid Consulting
Australia	Cox Architecture	Hansen Yuncken	Engineers
Augmentium	CPB Contractors	HDR	Marubeni
Aurecon Australasia	Datapod	HNC	MBM
Babcock	Degnan Constructions	Holdfast Projects	McConnell Dowell
BAE Systems Australia	Deloitte PDS Group	Honeywell	McGregor Coxall
Beca	Department of Planning	Hunt Architects	McKenzie Group
Beck	and Environment	Icon Construction	McMullen Nolan Group
Belmadar	DesignInc Sydney	IFM Investors	MDMS SPO
BESIX Watpac	Dexus	Infralegal	MODE DESIGN Corp
BG&E	DLG SHAPE	Infranexus	Mott McDonald
BGIS	DroneShield	Infrastructure Partnerships	Multiplex Constructions
Birdon	Duratec	Australia	NBRS

New Era Electrical Services	Roberts Co	SMC Marine	Turner & Townsend
Ngalawa Nura	Rork Project	Sofraco Engineering	UGL
North Projects	Royal HaskoningDHV	SQC Group	Vaughan Civil
North Search	RSK Environment	SRA Solutions	Veolia
Northrop	Australia	St Hilliers	Veris
Ontoit	Saunders PlantWeave	Steenson Varming	Ward Civil &
Pacific partnerships	Security Consulting Group	Stockland	Environmental Engineering
Pacific Services Group	Serco Facilities	Synergy Fire & Security	Winya Indigenous
Holdings	Management	TBH	Furniture
PAYNTER DIXON	Service Stream	The Walsh Group	Wormald Australia
Planet Plumbing	Seymour Whyte	Construction	WSP Australia
Plenary Group	Siemens	Tonkin Consulting	Xavier Knight Consulting
PMCA - Richmond			Engineers
Redevelopment			Xton
Puch Construction			
Qubist			
Richard Crookes			
Constructions			
Rincovitch Consultants			

Slido poll results

The online engagement tool, Slido, captured participant questions and posed a series of poll questions to the room throughout the event. A total of 7 questions were asked. Results are shown below.

Results of questions 1 - 3:



Question 4 responses

What do you think is the biggest challenge your company will face during the construction phase of the project?

- Disruption to the program from urgent and changing Defence operational requirements.
- Maintaining a consistent workforce
- Our input would be a supervisor and verification role. The key would be to have a high-quality collaborative environment to achieve the best installation based on a detailed design.
- Access. Coordination. Disruption from Defence stakeholders. Culminating in lower productivity which takes away from GDIP being a project of choice.
- Invitation to tender
- Material shortage, skilled worker shortage
- Overly complex RFQ or RFT
- Deconfliction with existing and concurrent works being delivered under the Estate Works Program or as Sponsor Funded Works (e.g., renovations to a building under the EWP which may be demolished under this Redevelopment anyway).
- Contracts, access, security, qualified staff, staff numbers, Capacity and capability
- Construction Phase is what we are confident in. Breaking into the Defence club of preferred builders is the biggest challenge.
- Certainty of programme and commitment to progression of works.
- Site access/ congestion due to site locations
- Developing a skilled workforce
- Community unrest with the size of this project
- Interface with multiple projects and design teams. Smaller contractors may not understand the defence specific requirements
- Indigenous engagement on attractive packages direct with Defence and not subcontracted to other companies for works they don't want to complete.
- Latent issues arising from the age, complexity and inscrutability of the original Garden Island infrastructure; complications arising from assets labelled Heritage when measured against the driving need to deliver a sustainable military capability; and challenges arising from the complex web of relationships amongst the multiple competing stakeholders that inhabit GIDP.
- Getting Defence access pass for high numbers of workers
- Supply chain management and escalation
- The expected volume of construction work in the Sydney CBD during the same timeframe.
- Resourcing will provide biggest challenge - growth in competing areas both state and national levels for skilled labour will limit the pool. Secondly the accessibility to the island is not as attractive as popular consensus may indicate
- Indigenous participation
- Retaining workforce
- Ability to support a large fast program due to FTE/personnel resource commitments noting all the other large capital works across the state and city. Smaller precinct packages may support the ability for combined consultant design conglomerates to drive design and share interface risks and coordination. Initial packages should be smaller to support rapid deployment and construction activities. Commencement of larger packages can start concurrently but can then enable a multi layered firm and coordinated approach. Would potentially support program and coordinated staged design and subsequently construction. It also creates an option that if construction delays on earlier packages, you could swallow future design packages to make a larger scope to deliver based on operational priorities and capability needs
- Unknown existing site risks and interface of all stakeholders on site
- Resources in a busy construction market.

What do you think is the biggest challenge your company will face during the construction phase of the project?

- Head Contract Certainty in advance, so that resources can be allocated in an appropriate timeframe that can compete with lower risk (and less resource intensive) commercial and other project types.
- Logistics and resources
- Site access
- Tight market
- Scarcity of Industry resources
- With Digital Transformation and ongoing cyber security concerns who does industry align with Defence security?
- Size of packages \$
- Stakeholders and interfaces - all being on the same page.
- What, if any, will the upgrades need to be capable of supporting nuclear submarine berthing? This is a key decision that will significantly influence the options going forward; very difficult to backtrack later.
- Certainty and defence's changing requirements
- Workforce
- Price: This should be weighted minimally. Labour and global supply chain could provide raised risk levels as multiple major projects roll out simultaneously.
- Continuity with Defence hold ups.
- Meeting deadlines if latent conditions are found onsite - if the scope and feasibility stage is not completed to a very high level, uncovering hidden issues once construction starts could delay the program
- Cashflow, Workforce availability, Skilled labour
- Coordination. Stakeholders need early interaction, to ensure an efficient coordinated response
- Financial strength of supply chain
- Industry wide labour shortages
- Clarity of methodology and managing program delivery risk and design risk
- Lack of skilled resources and competing major projects pipeline

Question 5 responses

What factors would prevent your company from participating in this project?

- 1. The high cost of doing business with Defence.
- 2. The complexity of working with Defence.
- 3. The difficulty of working at Garden Island.
- 4. The contractual risk profile in Defence contracts.
- I am happy to provide more info.
- Multiple layers of review but not always known beforehand on how many and how long before responses received. Increases our risk of schedule and cost overruns.
- Various specialize packages are generally issued under one tender. This creates huge undertaking for main contractor to engage specialized contractors as sub-contractors. This also end up end up higher bid. Can you nominate specialized panel sub-contractors in your tender.
- Procurement styles preventing best for project outcomes and longer than required delivery times.
- Package size and risk on Contractor
- Packages being too big for capacity, unrealistic timeliness, limitation that staff working on project must be based on site to do the job
- Not being a lead contractor. As a spatial solutions provider we will be engaged by a lead contractor, or that is our assumption
- Timing and availability of suitable resources

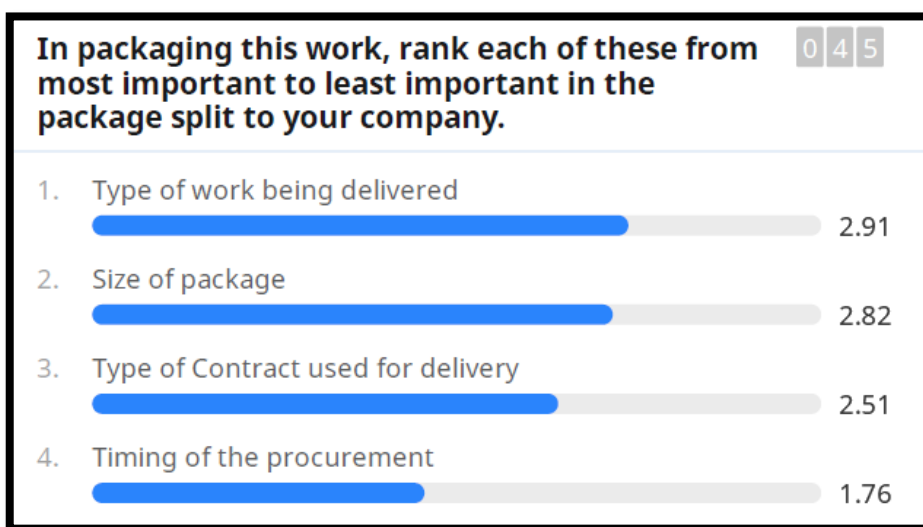
What factors would prevent your company from participating in this project?

- Profit
- Inappropriate risk transfer, single package approach, scale too large.
- Defence doing business as usual approach to procurement would preclude our business from engaging on the project.
- Size of package
- Not being paid for our IP
- Too much competition.
- Using very large \$500m+ procurement approaches to market
- Contract conditions with risk transfer
- Not a show stopper for participating in the project, however, lengthy time frame periods between Milestone payments are challenging for cash flows.
- Scope is unclear, ambiguous or contains 'lockouts'.
- Lack of appropriate package sizes
- Less complex procurement/ easier wins
- Too much time & cost on tendering with a large volume of competition, ECI?
- Business behaving untoward in relation to black cladding. It is profound within the construction industry and is something that we will not do
- If procured as one huge contract.
If procured in competition with other sectors presenting lower risk.
- Contract terms that don't reflect the collaboration mantra
- New and Small indigenous business getting the opportunity to provide revives relevant to the skill set of the business that will be looked upon in tender submissions.
- Incumbent specialists already providing services. Inherent knowledge of the mechanics and operations which impedes pricing parity.
- Not having much defence experience to date - we're not in the club, access denied!
- Busy market means we pursue projects based on the opportunity, including a collaborative risk share commercial model, bid cost reimbursement and maximum of 3 shortlisted parties tendering on packages and projects.
- Clearance challenges / timelines / uncertainty over pipeline to determine projects suitability and therefore decision to invest in clearance process
- Tender boards not demonstratively proving that they do not have an unconscious bias towards 'Defence experience' and assume that only Tier 1 builders can deliver large Defence projects.
- The size and scale of the proposed works and the consequent risk of delivering the entire package over a 6-10 year period.
- Size of project
- Risk and financial
- Pricing the Unclear scope during tender stage without putting any qualifications
- Poor documentation that increases pricing risk i.e. geotechnical, hazmat, waste classification studies etc.
- Any perception of forgone conclusion.
- Competing other projects which are more attractive, uncertainty of the timelines and competition on this project
- Works broken down into large packages that only tier 1 vendors hold capability to take on - some direction or clarify regarding how packages are broken down once the project is at this stage would be appreciated
- Being swamped by tier 1 builders
- All locked up with the same big consultants - this will stifle innovation
- Exhaustive pre-qualification requirements

What factors would prevent your company from participating in this project?

- Capacity and choosing a Defence project above higher margin infrastructure developments...
- Overall size of the project
- Scale/size of work packages
- Packages being too large and complex
- FSC accreditation
- Aggressive contract terms

Question 6 responses



Question 7 responses

We welcome your feedback regarding this event and the information presented today. How can we improve?

- Perhaps have a split between consultants and contractors for further briefing sessions.
- It was a good format, like this interactive feature
- Limited phone reception prevented the electronic input progressively during the presentation. Only when I left were some of our groups made aware that a free Wi-Fi network could have been used instead. Questions raised were not asked as written, rather re structured and distilled.
- A well-presented event - thank you for being informative and providing this early opportunity to become informed.
- Great presentation, well done!
- Specifically answer the 'difficult' questions surrounding Robert's Co and don't simply avoid them. That's the tough part of real engagement.
- Quite informative. Good if you can share the presentation of this session
- Seats under the screens cannot absorb the information being presented by the speakers.
- Contract model
- Would have been good to address the most popular questions. Good start to a long program.

Attachment 1

Presentation slides





Australian Government
Defence

Industry Event

Tuesday, 2 May 2023

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Agenda


- Welcome & official proceedings begin
- Welcome to Country
- Sunny Leow – Probity Brief
- CMDR Alex Ochmann – Navy Infrastructure
- LTCOL Tim Napper – CFI Project Brief
- Stewart Verity – Team and PMO Structure
- Greg Dobson – Commercial Advisory
- Alison Barnard – Engagement Approach
- Slido responses
- Q & A with Panelists – questions via Slido
- Official proceedings close



Join at [slido.com](https://slido.com/join/2488720)
#2488720

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Welcome to Country

Defence acknowledges the Traditional Custodians of Country throughout Australia. Defence recognises their continuing connection to traditional lands and waters and would like to pay respect to their Elders past and present. Defence would also like to pay respect to the Aboriginal and Torres Strait Islander men and women who have contributed to the Defence of Australia in times of peace and war.

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Probity Briefing

Sunny Leow
Maddocks
Probity Advisor

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Importance of probity

- Probity is the evidence of ethical behaviour – ‘complete and confirmed integrity, uprightness and honesty’ in a particular process (e.g. market sounding process, procurement and evaluation processes).
- The core rule of the Commonwealth Procurement Rules is to achieve value for money. Any future Defence procurement must be fair, and seen to be fair.
- The Probity Adviser provides guidance on:
 - ensuring participants are treated fairly and equitably
 - approved processes are not discriminatory or provide unfair advantage (‘level playing field’) ... and are actually followed
 - confidential information is secured appropriately
 - conflicts of interests are identified and managed.

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Information management

- All questions after today’s event must be directed in writing by email to:
GIDPqueries@ghd.com
- Regularly check AusTender and the virtual engagement room for updates.
- Questions asked today may be taken on notice in some circumstances.
- Providing a written submission (by completing and returning the questionnaire) is optional. The Commonwealth will acknowledge receipt of your response, but is not obliged to provide feedback or enter into further discussions or correspondence with you.



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Navy Infrastructure

CMDR Alex Ochmann
Royal Australian Navy

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Navy Context

The Vision: GIDP will continue as a key command, control, homeport, operations and sustainment establishment.

Significance:

- fundamental to Navy’s Two Ocean Basing Policy
- enduring Main Support Base to 9 homeported ships, visiting RAN units and foreign Navy ships
- an industrialised ship repair, maintenance and sustainment capability (includes the Captain Cook Graving Dock)
- more than just the sum of its functions / units
- base population ~ 5,000 ADF, APS and Contractors

☐ Good neighbour – central location surrounded by residential areas.

☐ Critical to national defence – must remain operational throughout.

☐ Workforce growth of 20% is forecast over the next 20 years.

☐ The base will grow, demand for skilled labour will grow, ships will grow in complexity. The facilities must keep pace!



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CFI Project Brief

LTCOL Tim Napper
Defence
Project Director

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Project overview – Commonwealth Objectives

Summary PMCA PMO extracts

- RFP Annexure A (Brief) Part 1 (the Project), paragraph 2:
 - Target, attract and collaborate with the right expertise and market knowledge... as a “business as usual” (BAU) approach...may not represent the most efficient or best approach, nor may it seize the opportunities to do things differently
 - Through digital transformation...drive a more productive, innovative, substantially faster, more sustainable and resilient infrastructure development and delivery
 - Digital transformation is used to develop intelligent solutions and a clear, traceable evidence base to support decision making and development and Project delivery
 - Establish a positive, collaborative and innovative culture...by understanding the development and delivery environment we have, then creating the one the Project needs

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GIDP

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Project overview



Garden Island pre-1940



Garden Island pre-2018



Garden Island 2021

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GIDP

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Garden Island Defence Precinct

1. HMAS Kuttabul

2. Fleet Headquarters (FHQ)

3. Fleet Base East (FBE) and other wharves

4. Captain Cook Graving Dock (CCGD)

5. AC Lewis House

6. Woolloomooloo Car Park

7. Chowder Bay Naval Fuel Installation

8. Spectacle Island

9. Sydney Harbour Degaussing Range Facility

10. Homebush and North Strathfield Living In Accommodation


11. RAN Band Detachment Waterloo

12. Public access areas, accessible by public ferry, including the RAN Heritage Centre


LEGEND

GIDP DESIGNATED NAVAL WAREHOUSES

OTHER SYDNEY HARBOUR NAVAL WAREHOUSES




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Capability needs

- Estate Base Plan
- Design and Siting Guidelines
- Captain Cook Graving Dock Upgrade Options
- Base Engineering Assessment Reports
- Critical Infrastructure Recovery Program
- Defence Estate and Environmental Strategies



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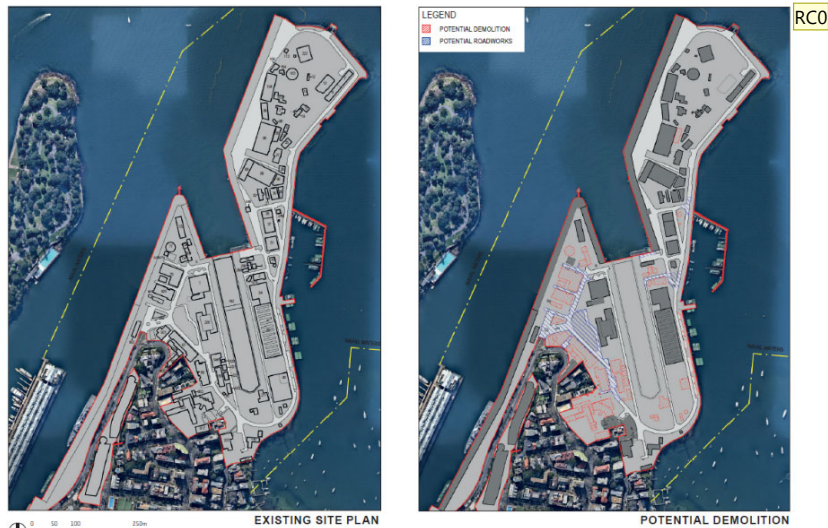
Functional requirements / project objectives

1. Modernise Captain Cook Graving Dock Ensuring critical sustainment functions are maintained	5. Address Short and Medium Term Resilience Enhance critical system resilience, sea level rise mitigation and access and precinct control
2. Increase Working Accommodation Cater for increased ADF workforce under Force Structure Plan 2020	6. Additional Engineering Services Support future growth
3. Building Demolition and Redevelopment Demolish old, no longer fit-for-purpose buildings and redevelop with larger flexible spaces	7. Sustain Strategic Fuel Storage Ensuring east coast maritime capability
4. Consolidate Base and Personnel Support Functions Enhance the site based on liveability principles	8. Manage Redevelopment Priorities Ensuring best and highest value use of the site

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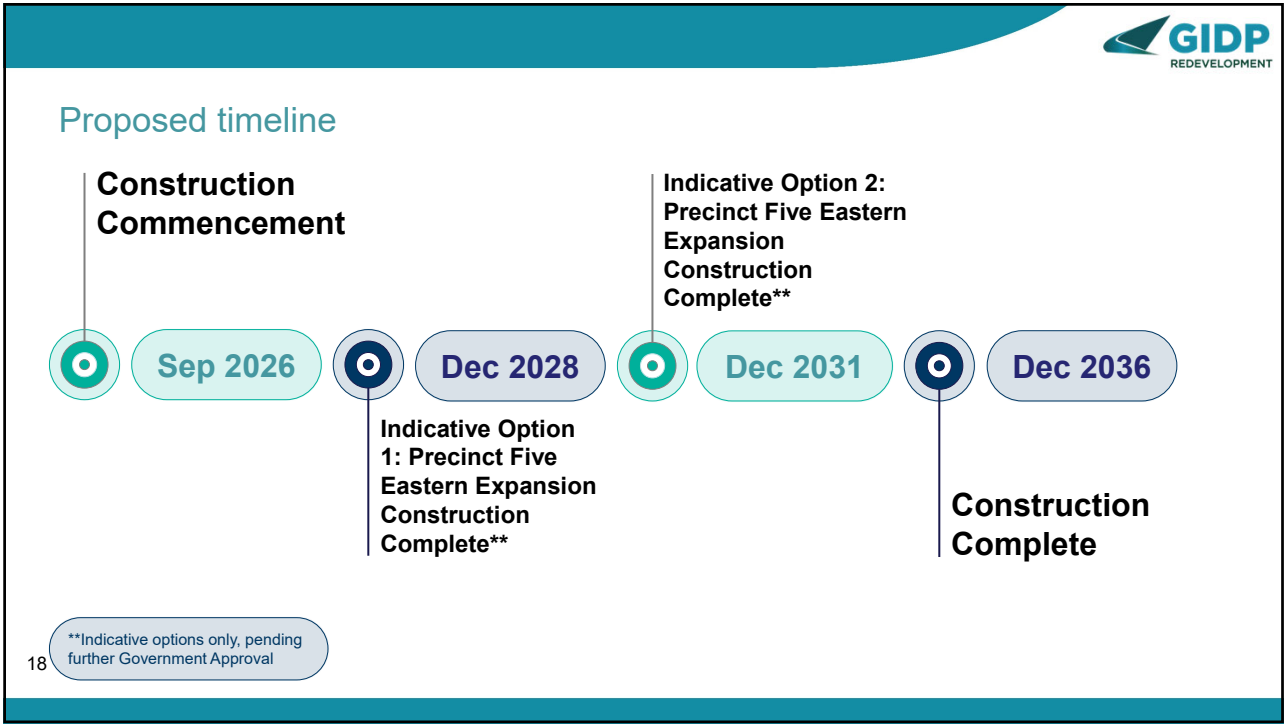
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Functional requirements / project objectives





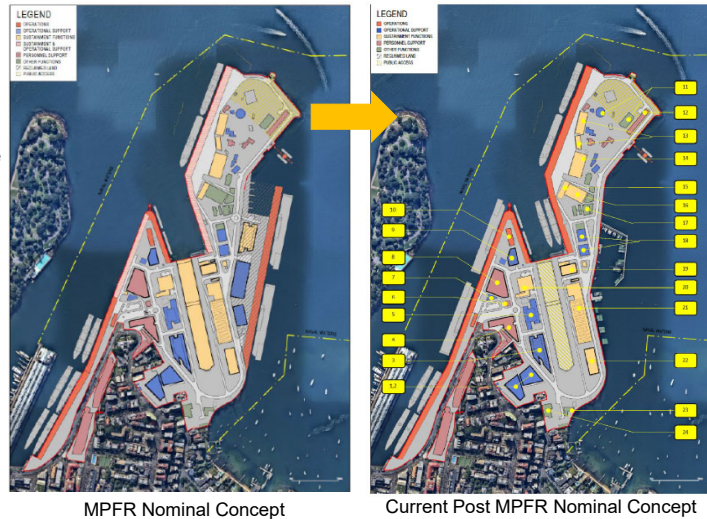
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Risks and issues

- Precinct Five mixed-use eastern expansion currently to MPFR only
- Issues:
 - Changing Defence priorities requiring the Precinct Five mixed-use eastern expansion to progress past the MPFR, if approved by Government
 - Changing governance requirements:
 - Approvals
 - Legislation
 - Strategies, opportunities and efficiencies should the Precinct Five mixed-use eastern expansion progress past the MPFR:
 - Cross program integration and interdependencies
 - RMC, DORSC



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Risks and issues



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Project Team and PMO Structure


Stewart Verity

GHD









Program Director

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Project team and structure



Strategic Advisors
Defence Process / Approvals
Commercial & Advisory
Buildability
Operations
Site Conditions
Business Case Advisor

Program Leadership

Digital LeadershipIndigenous Engagement

Major Projects Challenge Team
Wider industry experience to challenge
Defence BAU and leverage lessons learnt
on other major projects an programs

Stakeholder & Communications Management

Commercial & Advisory

Project & Procurement Management

Technical (including master planning, environment and buildability)

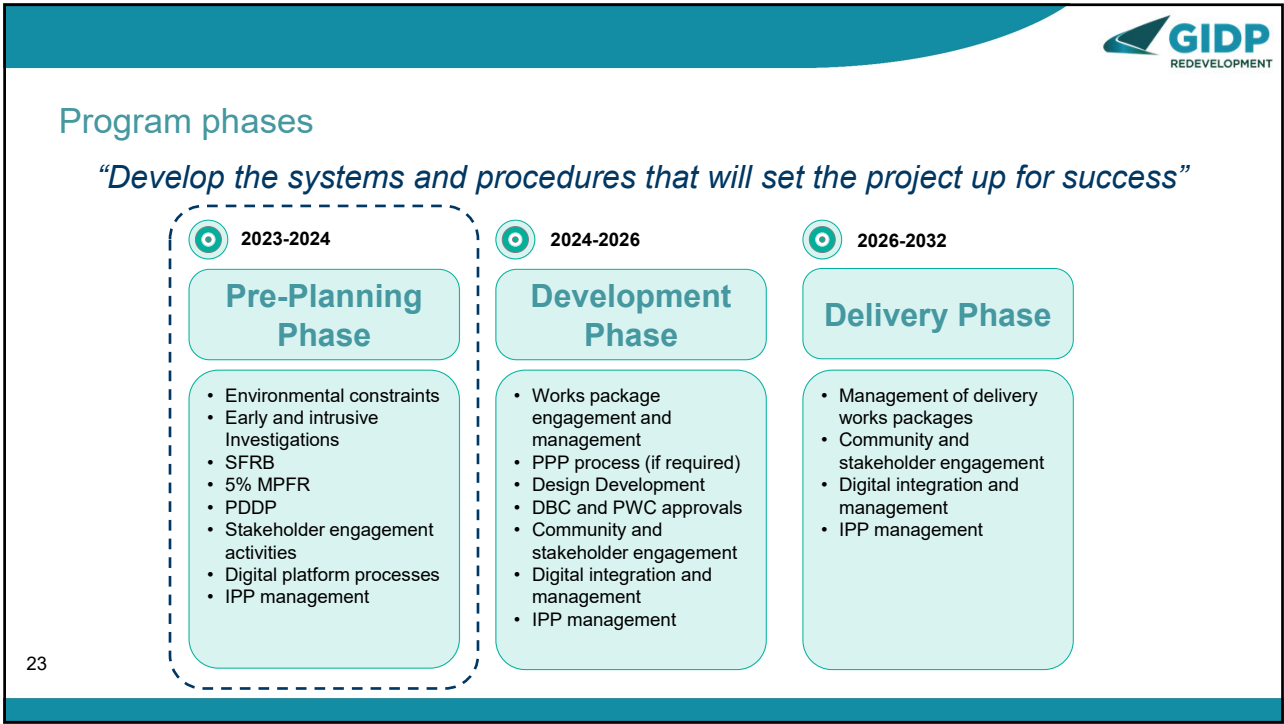
Digital Infusion
Transformation & integration of digital solutions across the program

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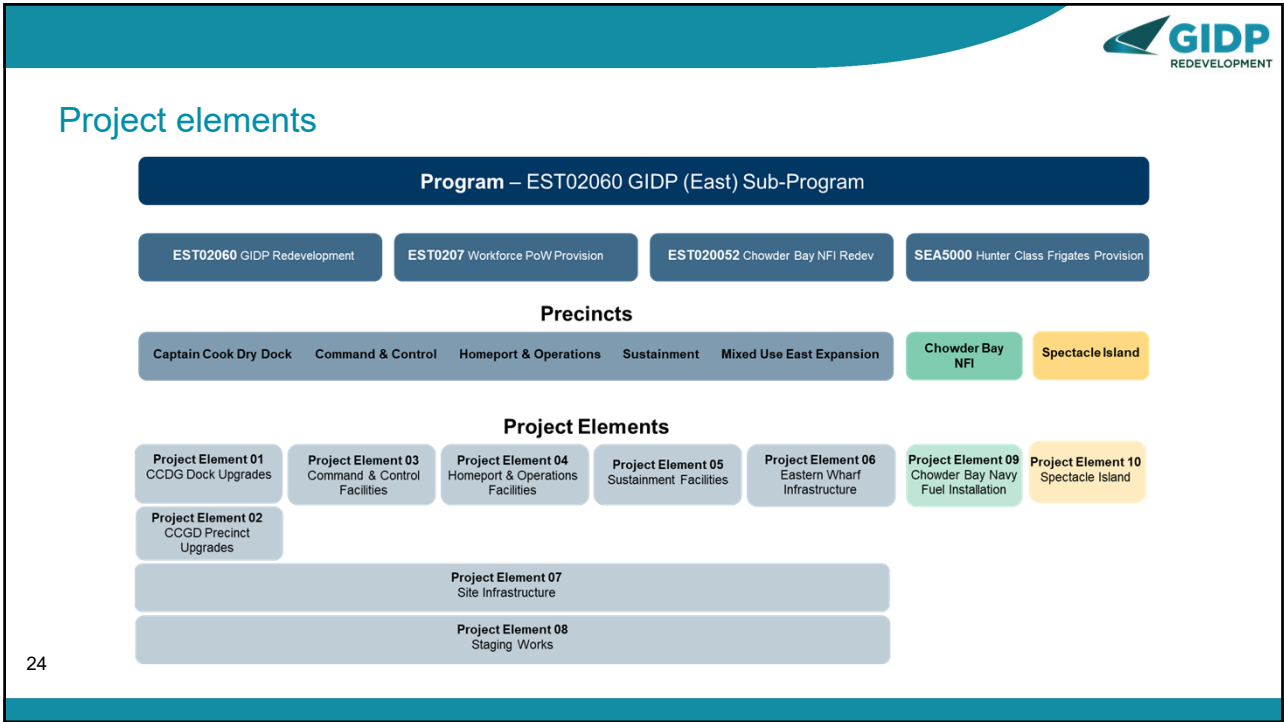
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Indigenous Procurement Policy Requirements

- Objective to achieve beyond compliance
- 5% of contract value:
 - 2% from workforce
 - 3% direct engagement of indigenous businesses
- Fundamental to project of choice and market resilience objectives
- Partnership with Indigenous Defence and Infrastructure Consortium (iDiC)



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GIDP

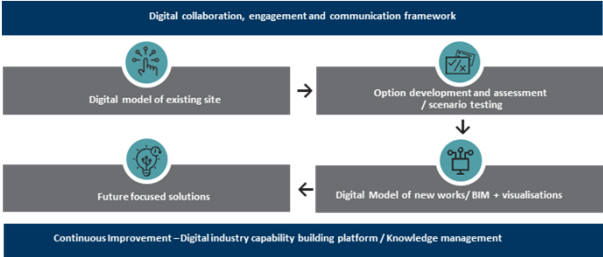
REDEVELOPMENT

Digital strategy

Leverage international standards (ISO19650) and industry best practices in digital engineering, BIM and other digital capabilities. Our digital approach addresses two key aspects:

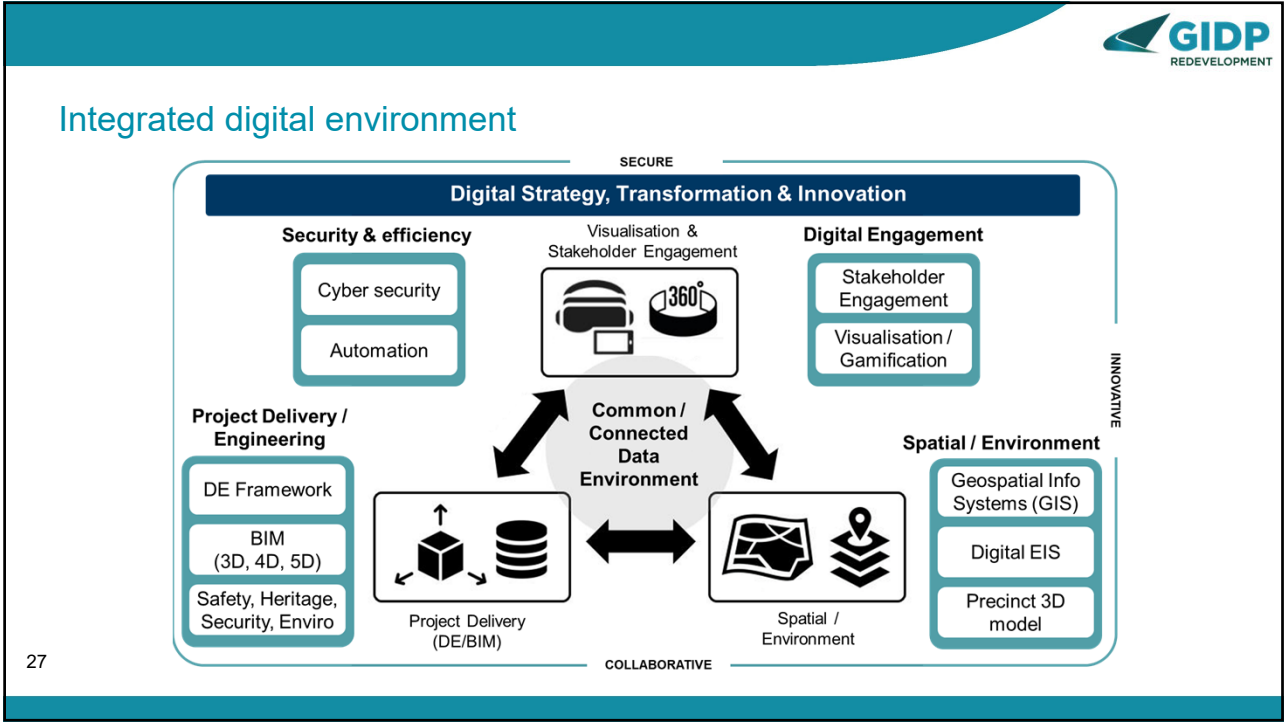
- Develop an appropriate project digital strategy and supporting frameworks to provide the digital foundation across the full project lifecycle and into operations
- Leverage experience in digital delivery on projects to enable benefits from a wide range of digital capabilities integrated with project management

Enable flexibility and productivity of the Program and facilitate Commonwealth and industry advancement of BIM, Digital Engineering and digital project delivery approaches



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Key program outcomes


Key objectives:

- Innovate & transform: doing things differently and leveraging lessons learnt

Project outcomes:

- Leveraging the best of industry, not just Defence experience
- Digital delivery and communication
- Centralised management of data in a “whole of program” approach

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Key program outcomes

Key objectives:

- Innovate & transform: doing things differently and leveraging lessons learnt
- Attract industry capacity – project of choice

Project outcomes:

- Involve a broad cross-section of the industry
- Packaging and procurement methodologies
- IPP Aspirations
- Market responsive staging and delivery
- Allocation of risk
- Ways of working

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Key program outcomes

Key objectives:


- Innovate & transform: doing things differently and leveraging lessons learnt
- Attract industry capacity – project of choice
- Culture of collaboration

Project outcomes:

- Approachable and consultative
- Sharing of lessons learnt
- Proactive engagement with stakeholders and community

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Key program outcomes

Key objectives:

- Innovate & transform: doing things differently and leveraging lessons learnt
- Attract industry capacity – project of choice
- Culture of collaboration
- Focused on achieving the best solutions for people, places and the Commonwealth

Project outcomes:

- A focus on environmental quality and urban amenity
- Efficiency of operations and continuity of capability throughout the delivery program
- Positive and consultative relationships with stakeholders and community

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Commercial Advsory

Greg Dobson
EY
Infrastructure packaging and procurement

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Commercial advisory - overview

- We are positioning the Garden Island Defence Precinct redevelopment to be a “Project of Choice” for industry.
- Part of achieving this goal will involve selecting a delivery approach for the Project that best aligns to the objectives of the Commonwealth and is attractive to industry.
- As part of the Pre-Planning Phase, packaging and procurement analysis is being undertaken, to be informed by industry engagement.




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Commercial advisory - overview

- The outcome of this analysis will be the selection of a preferred delivery approach (including packaging, procurement and governance) for the Project which will be taken forward to the Development Phase.
- The preferred approach will need to deliver on the Commonwealth’s overall objectives for the Project, including value for money and management of risk.



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Commercial advisory – packaging analysis

- A range of packaging options are being explored to determine which best aligns to the objectives of the Commonwealth and is attractive to industry.
- We seek to involve a broad spectrum of industry players, and packaging analysis will consider ways to align industry capability and capacity to project packages.

Project Element	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Project Element 1: Captain Cook Graving Dock	Package 1	Package 1	Package 1	Package 1	Package 1	Package 1
Project Element 2: Captain Cook Graving Dock – Precinct	Package 2	Package 2	Package 2	Package 2	Package 2	Package 1
Project Element 3: Command and Control	Package 3	Package 3	Package 1	Package 1	Package 3	Package 1
Project Element 4: Operation and Homeport	Package 3	Package 3	Package 3	Package 3	Package 4	Package 1
Project Element 5: Sustainment	Package 4	Package 2	Package 3	Package 4 / 5	Package 5	Package 1
Project Element 6: Eastern Wharf	Package 3	Package 3	Package 3	Package 3	Package 6	Package 1
Project Element 7: Site Infrastructure	Package 5	Package 4	Package 3	Package 3	Package 7	Package 1
Project Element 9: Chowder Bay	Package 5	Package 5	Package 3	Package 3	Package 8	Package 1
Project Element 10: Spectacle Island	Package 5	Package 5	Package 3	Package 3	Package 8	Package 1

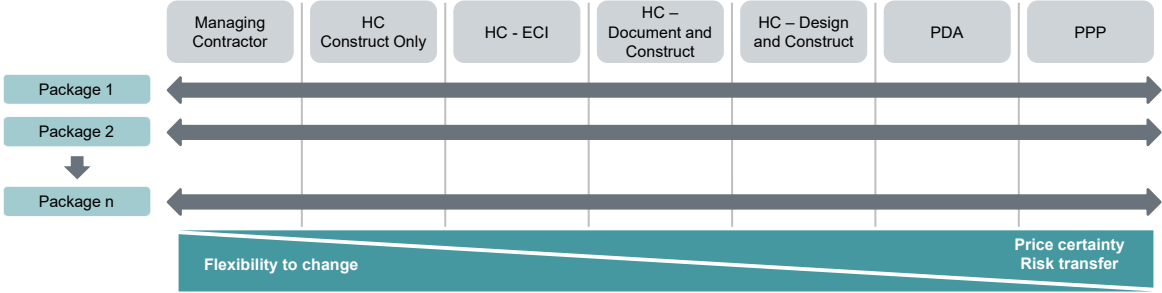
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Commercial advisory – packaging analysis


- A range of procurement options are being explored, including both traditional (CFI suite) and other procurement options (eg Project Development Agreements, Public Private Partnerships).
- We are seeking input from industry to determine appropriate procurement options for each package.
- We are considering the most appropriate governance model for the Project, including the potential use of a Government Business Enterprise (GBE).



	Managing Contractor	HC Construct Only	HC - ECI	HC – Document and Construct	HC – Design and Construct	PDA	PPP
Package 1	✓	✓	✓	✓	✓	✓	✓
Package 2	✓	✓	✓	✓	✓	✓	✓
Package n	✓	✓	✓	✓	✓	✓	✓

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Commercial advisory – industry engagement

Industry engagement is being undertaken across the Pre-Planning and Development Phases of the Project

1
Initial Industry Briefing

2
Engagement with industry to obtain written feedback (optional)

3
Targeted meetings with industry representatives

4
Market insights to inform Packaging and Procurement analysis

5
Industry Briefing

6
Engagement with industry to obtain written feedback (if required)

7
Targeted meetings with industry representatives

8
Market insights to inform specific project questions

Pre-Planning Phase Approach:

2 Optional Written Responses


- To be released on AusTender with two week response period
- 7 page limit
- Respondents may be contacted for targeted meeting.

3 Targeted Meetings

- Participants will be contacted by GHD/EY in coming weeks
- Scheduled for late May/mid June
- Questions regarding specific packaging and procurement considerations

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Engagement Approach

Alison Barnard
GHD
Engagement and Communication

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Communication

- Reaching interested and impacted communities.
- Regular updates for industry and stakeholders.
- Visit the GIDP Virtual Engagement Room:

gidp.ghdengage.com



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What you told us



Join at [slido.com](https://slido.com/join/2488720)
#2488720

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What you want to know



Join at [slido.com](https://www.slido.com/join/2488720)
#2488720

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Australian Government
Defence
Thank you



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Attachment 2

Questions and answers

Industry Briefing Questions and Answers

Industry Briefing Details

Will you be sharing details of those that attended today so that we have the ability to converse and work together on this epic opportunity?

The names of those who registered for the Garden Island Defence Precinct industry briefing will be available in the Virtual Engagement Room.

Will today's slide presentation be available online or via email?

The event presentation will be available in the Virtual Engagement Room <https://gidp.ghdengage.com/> and emailed to attendees. Guests who registered for or attended the briefing will receive communication from the GIDP team when the materials are available for viewing in the Virtual Engagement Room.

With this copy of presentation, can we also please get a copy of the polls?

A copy of the poll questions, the questions submitted from the audience and answers, a copy of the presentation, a video recording of the event and a listing of the companies who registered for the event will be available in the Virtual Engagement Room <https://gidp.ghdengage.com/>

Will you be sharing all the questions, answers and details presented to all that attended?

Yes, we have collated answers to all of the questions submitted, a list of companies who registered or attended and the presentation. These documents and a recording of the presentation will be uploaded into the Virtual Engagement Room <https://gidp.ghdengage.com/>

Can the question at the top of the list with the most likes please be addressed by the panel?

This document contains all questions submitted during the event and answers to those questions.

Working with Defence

Collaboration is often difficult in a high security Defence environment. Is there a plan to address this?

The project team are focused on providing a highly collaborative environment for the delivery of the program. The PMO is managing an integrated process to develop the programs and procedures to support this collaboration throughout all participants in a high security context as part of the Pre-Planning Phase tasks.

The **Defence Industry Security Program** (DISP), is managed by the Defence Industry Security Office (DISO), and supports Australian businesses to understand and meet their security obligations when

engaging in Defence projects, contracts and tenders. We would encourage companies to consider becoming a member of the DISP so they can be prepared when Defence tenders and proposals are released to the market.

The cost of doing business with Defence is much greater than other Gov Depts. Will there be any effort to make the cost of doing business with GDIP competitive?

A focus of the project team during the Pre-Planning Phase is to develop the systems and processes that will set the project up for success in procurement and delivery. The relative costs to market of participating in upcoming phases of the project are a consideration involved in the current development of the Project Development and Delivery Plan.

What are the targets in terms of women participation in this project?

Our approach is to foster inclusiveness. We are aiming to go beyond compliance regarding women, Indigenous workforce, and minority participation. We are still working through the targets and welcome advice, examples, and case studies on what may be suitable from your firm's perspective.

Does Navy or CFI predict any major project pauses during design or delivery phases due to Defence internal machinations? Any preventions in place?

The very nature of government initiatives, priorities, needs, and policies mean that some level of change is inevitable, in every project. The Project Management Office is designed for flexibility to accommodate potential pauses, and changes to requirements. Digital tools such as building modelling and a collaborative approach can aide in comprehending the impact of these changes, while bringing clarity to the task and thus minimising the need for extensive rework.

Of the estimated capex, how much has approved government funding allocated already?

Funding has been committed for the Pre-Planning Phase and for the currently identified Development and Delivery scopes of work via the Gate 0 approval process. Delivery phase funding will be subject to Government Approvals. The Pre-Planning Phase will be investigating potential efficiencies in the delivery of identified scope and budget, as well as managing and absorbing the impact of any directions arising from the Defence Strategic Review etc., which may change scope or funding availability.

Will Australian owned operated companies with Defence experience be viewed favourably for this project?

Defence projects have particular security requirements that have implications for the companies involved in their design and delivery. An objective of the program is to build market resilience through broadening the pool of companies engaged in the Defence sector. Additionally, the Program is focused on leveraging the experience and lessons learnt in other sectors to create benefits for its delivery. These two factors underpin an openness to engage those companies with less direct Defence experience, wherever appropriate and beneficial.

Is the ability to engage a skilled workforce one of the biggest challenges facing GIDP?

Program delivery will be taking place alongside a variety of other infrastructure projects in a congested Sydney and NSW market. A key challenge will be to create the environment that allows Garden Island to become a project of choice for the market, thereby mitigating the impacts of a finite workforce. We would like to know what would make it easier for you to participate in this project and look forward to hearing from you.

What key performance indicator is a priority? For example, commercial profitability, flexibility to expansion, or core maintenance services?

GIDP is a large and complex program of work that needs to appropriately balance a range of project issues and objectives. Maintaining ongoing capability during delivery, managing funding availability, maintaining flexibility for future expansion or programs and providing for efficient and cost-effective ongoing maintenance are all key considerations.

What existing 3D spatial information exists across the overall project areas?

Our aim is to drive a digital and data driven strategy throughout all aspects of this project, including procurement activities. As part of the Pre-Planning Phase, the project team are collecting and integrating a range of 3D data for the site from both existing sources and additional investigations. This approach includes a GIS visualisation platform as well as BIM for both above and below ground facilities and infrastructure. The team are also developing the platform and procedures for expansion and management of integrated 3D site information across the Program. We are interested in hearing what you think the digital aspects of this program might mean for your business.

Have operational requirements been set for the program and will these be made available?

The Pre-Planning phase of work is responding to Defence capability and operational requirements and includes the development of functional requirements, also known as the Sponsor's Functional Requirements Brief (SFRB) that will be tested and further refined during the subsequent 5% Master Plan Feasibility Report stage and then applied to later stages of design and delivery.

Similar to the Roberts Co arrangement, the specifics of marine engineering are pertinent, and the project would benefit from early marine buildability engagement.

The focused and timely consideration of buildability issues is one component of the integrated approach proposed by the successful project team. This focus extends to buildings, infrastructure, and maritime related works. We're interested in your perspectives regarding marine buildability and invite companies to share their thoughts on what and how this approach might work from a probity perspective.

Packaging and Procurement

To provide 'level playing fields' and legitimate opportunities for companies other than Tier 1, will Defence identify packages of GIDP below \$250m?

We expect a range of opportunities for Tier 1, 2 and 3 builders. The exact packaging and procurement strategy is still under development and will be informed by feedback we receive from industry.

We also want to extend the opportunities to small organisations to participate. We recommend for you to register for AusTender if you haven't already. Keep a look out for contracts on AusTender and in industry publications. We encourage everyone to consider submitting a proposal, regardless of organisation size. AusTender will also publish notices of Defence presentations that provide further insight into Defence infrastructure projects. You may wish to consider attending these in the future. Furthermore, you do not need to have Defence experience to participate. We encourage and welcome all participants to apply for project elements that they feel best suited to undertaking. Demonstrating commensurate financial capacity to undertake works tendered for is a reasonable requirement of any Commonwealth contract. We recommend that prior to bidding for any contract, independent financial advice is obtained. At this stage, financial assistance for tendering costs has not been considered by the Commonwealth for this project. Within the context of an overall objective of achieving the best value for money outcomes, if the project were to see a significant benefit and a suitable return on the financial investment of assistance for tendering costs, this approach could be considered.

Do Tier 2 builders who have not worked for Defence before stand a chance for these packages?

We expect a range of opportunities for Tier 1, 2 and 3 builders and would encourage Tier 2 companies to submit tenders and proposals and provide feedback to the packaging and procurement process and best practice outcomes in other sectors. For example, we look forward to learning from the successes of companies who have built medical, educational, scientific and transport-related infrastructure. We look forward to working with a large range of companies on this project.

It would be good to see a number of ECI HC opportunities of larger size i.e. \$250-\$500m+.

We're interested in your perspectives and experiences regarding Early Contractor Involvement Head Contract related work. We'd be interested to hear from companies regarding ECI HC experiences and the opportunities for the use of these processes within the nature of the scope for this project.

When are the first DSC packages coming to market?

Contracts for the project will be advertised on AusTender. In accordance with the Department of Defence protocol, it is intended that advanced notice of upcoming contracts will be disseminated through the Security & Estate Group (SEG) routine briefings to industry. Advance notice of forthcoming procurements will also be advertised on AusTender prior to the release of actual tender documents. We have not yet confirmed whether procurement will be undertaken via a single or two stage process. The first contracts for the project may be advertised in mid-2024.

When do you expect the first packages to come to market i.e. will there be anything likely in 2023?

Contracts for the project will be advertised on AusTender. In accordance with the Department of Defence protocol, it is intended that advanced notice of upcoming contracts will be disseminated through the Security & Estate Group (SEG) routine briefings to industry. Advance notice of forthcoming procurements will also be advertised on AusTender prior to the release of actual tender documents. We expect that most packages will be released to market in 2024-2026.

How will small specialist consultants be able to contribute their expertise in the procurement process?

We welcome participation in the process from consultants and invite you to provide any feedback you consider pertinent to the engagement of specialist expertise in the procurement process, within a probity context. While the packaging and procurement process is not yet finalised, we note that there may be opportunities for standalone design contracts or as an element of delivery contracts.

On risk allocation in contracts, can you indicate what thoughts the team have in regard to the Commonwealth accepting that it is best placed to accept risk?

The Program is not yet advanced enough to be able to clarify the form of contracts to be deployed in later stages. However, the project team are conscious of the implication that risk allocation has for the cost and efficiency of future works and will be considering these issues within the Pre-Planning and Development Phases of the project with an aim of structuring the Project packages and contracting models to allocate risks to the party best able to manage and price each risk between the Commonwealth and private sector. We're interested in your perspectives and we invite your company to provide feedback on how risks can be more beneficially allocated.

If multiple procurement approaches adopted who will have the interface risk. Will the Commonwealth retain or will this be contractually passed down?

The project team are conscious of the significant implications that project interfaces will have on delivery. The potential staging of works packages an assessment of potential risk and the allocation of that risk are all factors currently being considered in the Pre-Planning Phase.

Can you outline the planning approvals pathway/s for development of the site?

The team are currently assessing planning approvals obligations that are likely required for development of the site including potential Commonwealth and NSW legislative requirements. Further investigations and studies are planned to be performed over coming months to capture information to support these assessments. Defence has already promulgated strategic planning guidance for Garden Island through the Garden Island Base Plan.

The following pre-planning target milestones are being progressed by the team that will inform various project approvals:

- Environmental Constraints Report - draft submitted to Defence 24 April 2023
- Sponsors Requirements Brief - 12 June 2023
- Project Development and Delivery Plan - 13 November 2023
- 5% Master Plan and Feasibility Report - 4 December 2023

When will the procurement and packaging strategy be announced to the market?

The team are currently developing the Project Development and Delivery Plan as part of the Pre-Planning Phase. Our approach involves input from the Industry Engagement and targeted market sounding activities to contribute to finalisation of the packaging and procurement strategy by the end of 2023. The team plan to re-engage with a second Industry Engagement in early 2024, which will communicate the preferred Packaging and Procurement Strategy to the market.

Have you considered collaborative PPP models that combine more collaborative aspects of the MC model with private finance? E.g. NEL PPP

The packaging and procurement tasks of the current Pre-Planning Phase are considering the relative merits of all procurement forms alongside packaging strategies for staging and delivery of the works. These activities are in their early stages. As noted in the presentation, the project team is considering the full range of potential procurement models, including the consideration of PPP models. When considering PPP and other procurement models, market feedback (including from the market sounding process) and learnings from recent projects/transactions (including the most recent PPP to close in NSW which incorporated collaborative aspects and additional flexibility) will be considered.

Other states/governments include "local loading" as an assessment benefit for locals in key tenders. Is this something that may be worth implementing at GIDP?

The project team will consider issues such as "local loading" as part of our packaging and procurement investigations, particularly in terms of the potential to broaden opportunities for a wide variety of market players and the enhancement of overall market resilience. We would like to hear more from companies in the market regarding this issue. We are interested in understanding the implications of local loading, from your perspective, to help us design better procurement strategies.

Can a consultancy bid on with multiple joint ventures?

There will be no restrictions on the ability of organisations to bid on any and all packages or work. It should be noted however that relative capability and capacity will likely be key considerations for the assessment of tender submissions.

Is there an imperative timeframe by which the strategic fuel storage element must be in place?

The program is not yet in a position to clarify delivery timeframes for individual project components of the Program. While we don't have clarification on a specific timeframe regarding the fuel storage element, it is likely to be a priority component for development and delivery.

How much of a priority are the Eastern Wharves compared to Navy's other investments in Henderson and the Top End? Are they likely to get cut?

The Program is currently funded and tasked with developing the design of the eastern expansion to a 5% Master Plan Feasibility Report stage. This approach will enable the Eastern Wharf expansion to be efficiently accommodated within the Program, should relative priority and funding availability dictate. Any decision to progress with the expansion beyond the 5% Master Plan Feasibility Report will be subject to further approvals.

Will there be a focus on engagement of small to medium business, such as design consultants in the planning (and subsequent) phases?

A key consideration for the project team is creating resilience in the broader market through enhancing the opportunities to engage in the project for as broad a range of participants as possible. Further detail of the proposed packaging and procurement strategy will be available following completion of Pre-Planning Phase activities. We welcome your feedback regarding what would you consider is an appropriate package size for small/medium business?

Would Defence consider an alliance procurement model? Why / why not?

The packaging and procurement tasks of the current Pre-Planning Phase are considering the relative merits of all procurement forms alongside packaging strategies for staging and delivery of the works. These activities are in their early stages. A preferred direction is likely to be determined at the conclusion of the Pre-Planning Phase in early 2024. We're interested in your perspectives in terms of what advantages (and possible disadvantages) such models could bring to Commonwealth value-for-money considerations.

What will drive the selection of the contract typology? And when and how would the narrowed down selection of contract types be shared with the industry?

The packaging and procurement tasks of the current Pre-Planning Phase are considering the relative merits of all procurement and contracting forms alongside packaging strategies for staging and delivery of the works. The assessment of procurement and contracting options will be driven by alignment to project objectives and Commonwealth Procurement rules, industry best practice and lessons learnt, as well as market feedback obtained through the Industry Engagement activities. A preferred direction is likely to be determined at the conclusion of the Pre-Planning Phase in early 2024. The team plans to re-engage with a second Industry Engagement in early 2024, which will communicate the preferred Packaging and Procurement Strategy to the market and provide an opportunity for further market input and feedback.

How is a PPP model being considered, given the project won't be generating revenue? Is the government considering underwriting those long-term cash flows?

Given the ongoing operations and maintenance activities associated with elements of the project scope, contracting structures are being considered which incorporate an operations phase. An availability-based PPP model is being considered whereby the payments to PPP Co in the operations phase would cover the operations and maintenance activities (subject to a performance regime) and repayment of any private finance raised by PPP Co in the delivery phase. The passing on of revenue risk under a PPP is unlikely, given the nature of the expected services at Garden Island.

Large projects can be priced as joint venture. Are you open for JV bid?

The packaging and procurement tasks of the current Pre-Planning Phase are considering the relative merits of all procurement and contracting forms alongside packaging strategies for staging and delivery of the works. These activities are in their early stages. We would anticipate that a joint venture may be appropriate for larger packages if these form part of the preferred strategy. A preferred direction is likely to be determined at the conclusion of the Pre-Planning Phase in early 2024.

How is the planning and scheduling being done to underpin the high-level timelines presented?

Initial planning has been underpinned by a number of assumptions around packaging strategies and planning approvals. This approach is currently being reviewed by the project and will continue to evolve as further details become clearer.

Construction and Design

When will estate works start again? It is highly irresponsible for the government to just shut down such a big long-term pipeline of work overnight.

The Estate Works Program is not a component under consideration of the Garden Island Defence Precinct Sub-Program. We would invite you to raise any concerns you may have about Estate Works Program activities to the relevant points of contact within Service Delivery Division

To what extent will the current review of the surface fleet impact this program of works?

The review of the Navy Surface Fleet is underway and due to be completed in late 2023. At this point, we do not anticipate a significant impact on the program of works. The redevelopment aims to deal with the current known limitations and infrastructure deficiencies on the site. Garden Island wharf side services and facilities including ships and berthing are not expected to face significant changes given previous design standardisation processes.

How will this infrastructure project interact with the future east coast submarine base? What sustainment infrastructure is being considered for that base?

For more information on the nuclear submarine taskforce, we would direct you to the AUKUS Nuclear-Powered Submarine Pathway <https://www.defence.gov.au/about/taskforces/aukus>

There has been no strong mention of sustainability in the presentation. What are the objectives in terms of low carbon whole of life delivery of the project?

Sustainability requirements are a key consideration for Defence. As part of the Pre-Planning phase of works, the project team are collaborating with Defence to develop the broad range of criteria and expectations that the project elements will be expected to design and deliver. Defence is also in the process of updating its sustainability guidelines and objectives. Sustainability is expected to be a key consideration for this program with Greenstar building ratings likely to be targeted in accordance with future Defence policies. Initiatives are likely to include low carbon – low energy design, fully electric buildings, and maximising on site energy generation (e.g. solar photovoltaic panels).

Is LEEDv4 or other version considered for infrastructure as it aligns with USA sustainability approach?

Defence intends that buildings target and align to the Green Star Buildings Rating system – depending on building type. These targets also align with Defence new Smart Infrastructure Policy – due for formal release this year. The Green Star Buildings Rating code is similar to LEED – both are holistic rating tools covering multiple sustainability themes.

Is the project team developing an extensive traffic management plan as it can be challenging attending GIDP now in high traffic times of day?

The base is a constrained site and parking space for personal and construction vehicles will be extremely challenging. The logistics of coordinating access for a large construction workforce is an issue that is being investigated by the GHD Program Management Office. Further planning and investigations will be undertaken to ensure that this risk is mitigated during the construction phase.

We are at the very earliest design stages, and our intent is to design for minimised traffic impacts, specifically around Potts Point. At this stage, it is not anticipated that the project will have impact on other marine services, such as public ferries, boating and/or sailing activities.

Maritime access to the site for both Defence personnel and the public is a matter of consideration for the project. We would invite companies to share their thoughts on the form and potential benefits of maritime access to Garden Island.

What is the Navy's expectation of impacts and potential shutdown periods or loss of access to current GIDP capabilities?

Current capabilities will need to be maintained during the delivery. This is expected to be achieved through a combination of staging and temporary use of alternate Defence sites.

Probity

Will Roberts Co be involved in determining how the procurement for construction packages is structured and will they have access to submissions?

What was the procurement process to engage Roberts Co and what is their role on the program as a Contractor?

CFI have deliberately developed an ECI model to gain buildability advice. What competitive process was used for Roberts Co to be 'above the line' for GIDP.

Understand the buildability Input value. What is the probity framework around Roberts Co involvement in packages and procurement?

How was Roberts Co engaged. Was it a competitive process?

The PMO was procured via the Defence Infrastructure Panel (DIP) 2022 – 2027. On 02 August 2022 Defence released an RFP to all eight selected firms on the Project Management / Contract Administration service category of the panel. The tender period closed on 18 October 2022 at which time Defence had received four submissions. GHD's successful proposal included firms such as EY and Roberts Co as above the line subcontractors and was assessed to offer the Commonwealth with the best value for money solution for Defence's requirements to support the GIDP Sub-Program project.

Under the accepted proposal, Roberts Co will not be competing in any future below the line procurements (i.e., HC, MC contracts or similar) for this Project. For the avoidance of doubt, Defence has not separately engaged Roberts Co directly.

Why have the specific questions about Roberts Co engagement and involvement in selecting preferred builders for packages been avoided?

Will Roberts Co be allowed to tender the packages?

As presented on 2 May 23, the exact procurement and packaging structure has not yet been confirmed and is currently being developed. As such, the composition of any tender evaluation boards has not yet been confirmed.

The exact composition will be structured based on the specifics of the procurement prior to any future RFT being released. However, to manage probity risks the details of evaluation members will remain confidential. Maddocks shall continue to provide Defence with probity support during future procurements and shall be responsible for ensuring the tender boards are equipped with the necessary protocols and control measures to ensure that procurement decisions are undertaken in accordance with the Commonwealth's probity requirements.

When will the tender process actually include interviews with the preferred tenderers?

We have not yet confirmed whether procurement will be undertaken via a single or two stage process. Contracts for the project will be advertised on AusTender. Details of the assessment and appointment process will also be shared at this time.

Who will review tenders' submissions during future procurements?

The composition of the Tender Review Board has not yet been finalised. Tender Board composition will remain confidential.

Will you release the names of any companies currently engaged on the project, and who will be precluded from future work as a result of existing engagements?

The PMO was procured via the Defence Infrastructure Panel (DIP) 2022 – 2027. On 02 August 2022 Defence released an RFP to all eight selected firms on the Project Management / Contract Administration service category of the panel. The tender period closed on 18 October 2022 at which time Defence had received four submissions. GHD's successful proposal included the firms of EY, Roberts Co, Royal HaskoningDHV, Wilde & Woollard, Power Initiatives and Mithrill Security as above the line subcontractors and was assessed to offer the Commonwealth with the best value for money solution for Defence's requirements to support the GIDP Sub-Program project.

Under the accepted proposal, and subject to robust probity arrangements, the GHD led Team will not be competing in any future below the line procurements.

Are the designers involved in the Master Plan Feasibility Report conflicted out of the 30% CDR?

The PMO team are currently preparing the 5% Master Plan Feasibility Report. Further activities beyond the 5% Master Plan Feasibility Report are subject to approvals before progression. When packages are released to the market for design and Construction, the PMO will remain on the client side."

What information on project strategy and constraints can be shared in order to enable industry to respond in an informed way.

The project is currently in its early Pre-Planning Phase, which is directed at understanding the key issues and developing the systems and procedures that will set the project up for success. Part of our approach involves a range of stakeholder and industry engagement activities, including the virtual engagement room and the initial Industry event. As further definitive information becomes available it will be shared with stakeholders and industry through these and other avenues.

Will the targeted feedback meetings be paid or are you just collecting our IP for free?

The team will identify a range of industry participants to invite for 1 on 1 discussions in relation to packaging and procurement issues to assist in development of the Project Delivery & Development Plan. Participation in these sessions, once invited, will be entirely voluntary.

Digital Security

Considering Defence requirements, would Australian digital infrastructure availability (servers, data centres) impact project's digital delivery goals?

We acknowledge that there may be elements that we need to bring expertise from the UK, USA or other countries. Australian based service providers will be a key starting point for all our digital requirements. However, we have the mechanisms and agreements in place between countries to host elements overseas as required. We will use the Security Information Agreements and Defence Protective Security Framework to enable collaboration with those countries.

How will security associated with the digital objectives be managed, specifically location of servers and new/evolving software?

As part of the project, we are developing a Program Digital Strategy together with a range of related frameworks covering Project Security, Digital Engineering and Innovation. All project information and data is being securely managed and stored on ICT architecture approved by Defence. In regard to new/evolving software, given the length and importance of this program, we are always open to considering new ways of using tech and data where it adds value. We are establishing an Innovation Framework to surface new ideas and then consider them for potential application to the Program.

How are you engaging teams for “ideas”?

We meet regularly with stakeholders and industry to understand their needs and insights. We are also very interested in the views of the industry and have several market sounding engagements to listen to their perspectives. It's an ongoing conversation that we look to have for everyone's mutual benefit.

The Program will be developing a framework for capturing and deploying lessons learnt through all aspects, including the activities lead by designers and contractors.

#Ends#