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**Australian Government**  
**Defence**

Ministerial Background Brief

MS24-000592

FOR: Minister for Defence Industry

INFO: Deputy Prime Minister

CC: SEC, CDF, VCDF, ASSOCSEC, CN, CA, DEPSEC GOV, DEPSEC CASG, CFO, SOCAUST, HLC, HMS, FASMECC

**CANCELLATION OF ADF FAMILY OF SEABOATS TENDER**

**Key Issues:**

The Capability Acquisition and Sustainment Group released a tender in August 2022 at Attachment A to procure a family of ADF seaboats. s47D

s47D

s47D

, Defence is cancelling this procurement activity. Defence will advise shortlisted tenderers of the cancellation of the ADF Family of Seaboats tender.

**Media Considerations:**

Cancellation of the tender may result in negative media coverage, including within regions where the s47D shortlisted tenderers are based s47D, particularly noting that the tender announced the significance of Australian Industry Capability to the ADF Family of Seaboats procurement. Talking points to manage potential media enquiries are enclosed at Attachment B.

**Minister comments:**

**Cleared by:**

Rear Admiral Wendy Malcolm AM, CSM, RAN  
Head Patrol Boats & Specialist Ships  
Navy Shipbuilding and Sustainment Group

9 May 2024

s22

**Primary Contact Officer**

Rear Admiral Wendy Malcolm AM, CSM, RAN  
Head Patrol Boats & Specialist Ships  
Navy Shipbuilding and Sustainment Group

s22

**Secondary Contact Officer**

Rear Admiral Stephen Hughes AM, CSC, RAN  
Head Navy Capability

s22

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**Sensitivity:** Yes.

1. Following the decision to equip the Arafura class offshore patrol vessel with Boomeranger seaboats designed and manufactured in Finland, a number of Australian Small to Medium Enterprises (SMEs) expressed concern that Defence had not provided the opportunity to participate in the Arafura class seaboat selection.

**Financial Impacts:** Yes.

2. The ADF Family of Seaboats procurement activity was approved with a budget of s47D  
s47D  
s47D s47E(d)  
s47E(d)
3. Defence is not continuing with the procurement activity as scoped in the Request for Tender (RFT) due to:  
s47E(d)

**Systems/legislation/deregulation:** No.

**Consultation:** Yes.

4. Vice Admiral Mark Hammond AO RAN, Chief of Navy.
5. Rear Admiral Rachel Durbin CSC RAN, Head Navy Engineering.
6. Commodore Ashley Papp CSC RAN, Director General Littoral Capability, Navy Capability Division.
7. Commodore Anita Williams CSC CSM RAN, Director General Surface Combatants & Aviation Branch, Navy Capability Division.
8. Brigadier Hugh Meggitt AM CSC, Director General Special Operations Modernisation, Special Operations Headquarters.
9. Ms Leonie Neiberding, Assistant Secretary Finance – Navy, Defence Finance Group.
10. Mr James Nilsson, Special Counsel, General Counsel – Commercial, Associate Secretary Group.

**Attachments:**

s22

Attachment B

Talking Points.

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Background:

11. s22 [Redacted]
12. The ADF Family of Seaboats procurement activity aimed to give Australian SMEs an opportunity to participate in an industry program that has previously limited Australian production to assembly and distribution, delivering as an agent on behalf of a foreign supplier. s47E(d) [Redacted]  
s47E(d) [Redacted]
13. Defence approached the market to engage an Australian industry partner or partners (anticipated to be SMEs) who have the necessary intellectual property rights to design, manufacture and assemble a family of seaboats locally. In doing so, this would seek to address the above issues and create a centralised and efficient system for the acquisition and sustainment of a sovereign seaboat capability.
14. To understand the potential capacity and capabilities of the Australian industry, a Request for Information was issued in March 2020. s47E(d) [Redacted]  
s47E(d) [Redacted]
15. Subsequently, Defence released the RFT on 26 August 2022 with an initial closing date of 20 January 2023. The RFT allowed tenderers to provide solutions for either the air droppable seaboat or the Navy seaboat, or both. Defence received s47D tenders s47D [Redacted]  
s47D [Redacted]
16. The s47D remaining tenders were subject to detailed evaluation: s47D [Redacted]  
s47D [Redacted]
17. [Redacted]
18. s47E(d) [Redacted]

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ATTACHMENT B



**Australian Government**

**Defence**

## MINISTERIAL TALKING POINTS

AUSTRALIAN DEFENCE FORCE FAMILY OF SEABOATS PROCUREMENT ACTIVITY UPDATE

### Talking Points

- Following a tender evaluation process Defence has cancelled tender SHIPS/RFT/18421/1 for a Family of Seaboats.
- When evaluating a tender, capability needs are weighed against financial implications. Defence's needs have changed substantially since the tender was released.
- Defence is reconsidering options for seaboat procurement and support.
- Defence continues to procure a range of Australian made seaboats, supported and maintained by Australian industry around the country.

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*If asked: Will this impact Defence readiness and capability?*

- Defence is committed to ensuring the right capability is available to ensure readiness of the Australian Defence Force at all times. There will be no operational impact to Navy or Army with the cancellation of this tender.

*If asked: Why is Defence not investing in local industry?*

- Defence is committed to working with Australian industry, including small and medium enterprise, to strengthen capability and sovereign supply chains. More than 160 Defence seaboats are being maintained and sustained by Australia industry partners around the country. The majority of those boats are Australian made.

Contact officer: Rear Admiral Wendy Malcolm AM, CSM, RAN, Head Patrol Boats & Specialist Ships

Contact officer phone: s22

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Clearance	Name	Appointment	Date and time
Cleared by: (Group/Service)	Vice Admiral MD Hammond	Chief of Navy	9 May 2024
MECC Embedded Communication Director	s22	NSSG Communications Manager	0840 15 April 2024
Has a copy been provided to Defence Media for Information?	No		

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**Australian Government**  
**Defence**

Ministerial Background Brief

MS24-000951

**FOR:** Minister for Defence Industry

**INFO:** Deputy Prime Minister

**CC:** SEC, CDF, VCDF, ASSOCSEC, CN, CA, DEPSEC GOV, DEPSEC CASG, CFO, FASMECC

**CANCELLATION OF ADF FAMILY OF SEABOATS TENDER**

**Key Issues:**

The Capability Acquisition and Sustainment Group (CASG) released a Request for Tender (RFT) on 26 August 2022 (Attachment A) to procure a family of ADF seaboats (SHIPS/RFT/18421/1). Advice was provided to you (Attachment A) in May 2024 of the cancellation of the RFT. Questions were raised in relation to Attachment A, including information on how the capability requirements were set, what analysis was undertaken to provide confidence that the RFT was affordable prior to release and options going forward.

**Media Considerations:**

Cancellation, or any variation, of the tender may result in negative media coverage, including within regions where s47D shortlisted tenderers are based s47D. Talking points to manage potential media enquiries are enclosed at Attachment B.

**Minister comments:**

**Cleared by:**

Rear Admiral Wendy Malcolm AM, CSM, RAN  
Head Patrol Boats & Specialist Ships  
Navy Shipbuilding and Sustainment Group

07 June 2024

s22

**Primary Contact Officer**

Rear Admiral Wendy Malcolm AM, CSM, RAN  
Head Patrol Boats & Specialist Ships  
Navy Shipbuilding and Sustainment Group

s22

**Secondary Contact Officer**

Rear Admiral Stephen Hughes AM, CSC, RAN  
Head Navy Capability

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**Attachments:**

Attachment A

MS24- 000592 – Cancellation of ADF Family of Seaboats Tender.

Attachment B

Talking Points.

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**Sensitivity:** Yes.

1. The ADF Family of Seaboats procurement is currently a live procurement process and is governed by the RFT, Conditions of Tender. The Government will treat all tender responses as confidential information in accordance with the Commonwealth Procurement Rules and the ADF Family of Seaboats Probity Plan. The procurement process is sensitive noting that tenderers have not yet been informed of the procurement outcome. A significant amount of time has also passed since the tender responses were submitted in March 2023, with the procurement timeframes also impacted by reviews and the implications of Defence's changing strategic landscape.
2. Tenders will be notified post your review of this brief.

3. s47D

This has already resulted in a number of other tenderers calling Defence to voice their concern over this activity. s47D

s47D

**Financial Impacts:** Yes.

4. s47E(d)

5.

s47E(d) s47D

s47D

**Systems/legislation/deregulation:** No.

**Consultation:** Yes.

6. Rear Admiral Steven Tiffen AM CSM, Head Maritime Systems
7. Commodore Anita Williams CSC CSM RAN, Director General Surface Combatants & Aviation Branch, Navy Capability Division.
8. Brigadier Hugh Meggitt AM CSC, Director General Special Operations Modernisation, Special Operations Headquarters.
9. Ms Leonie Neiberding, Assistant Secretary Finance – Navy, Defence Finance Group.
10. Mr James Nilsson, Special Counsel, General Counsel – Commercial, Office of General Counsel – Commercial, Defence Legal Division, Associate Secretary Group.

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Background:

11. Defence wrote to you ([Attachment A](#)) advising its intention to cancel the ADF Family of Seaboats tender as scoped in the Request for Tender (RFT) due to:

s47E(d)

12.

### Capability Requirements Setting

13. s22

14. The ADF Family of Seaboats procurement activity aimed to give Australian subject matter experts (SME) an opportunity to participate in an industry program that has previously limited Australian production to assembly and distribution, delivering as an agent on behalf of a foreign supplier. The concept remains valid, but requires recalibration in light of tender outcomes and force structure changes prioritised by the Defence Strategic Review.

15. The Capability Acquisition and Sustainment Group project team worked closely with Navy and Army capability managers to develop the tender requirements to meet the operational concept for an ADF Family of Seaboats. s47E(d)

s47E(d)

16. Defence approached the market to engage an Australian industry partner or partners (anticipated to be SMEs) who have the necessary intellectual property rights to design, manufacture and assemble a family of seaboats locally. In doing so, this would seek to address the above issues and create a centralised and efficient system for the acquisition and sustainment of a sovereign seaboat capability.

### Funding Analysis

17. s47E(d)

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Options to use the Family of Seaboat RFT

18. s47E(d) [Redacted] s47E(d) [Redacted]  
s47E(d) [Redacted]

Proposed Options for Minimum Viable Capability for Expediency

19. s22 [Redacted]

20. s47E(d) [Redacted] s47E(d) [Redacted]  
s47E(d) [Redacted]

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ATTACHMENT B



**Australian Government**

**Defence**

## MINISTERIAL TALKING POINTS

Australian Defence Force Family of Seaboats Procurement Activity Update

### Background

The Naval Shipbuilding and Sustainment Group released a tender on 26 August 2022 to procure a Family of Seaboats on behalf of the Royal Australian Navy and Australian Army. s47D

s47D s47E(d)

s47E(d)

s47E(d)

Defence will review to consider the appropriate direction for Seaboats.

### Talking Points

- Following a tender evaluation process Defence is intending to cancel tender SHIPS/RFT/18421/1 for a Family of Seaboats.
- Defence is committed to ensuring the right capability is available to ensure readiness of the Australian Defence Force at all times. The force-in-being is not affected by this reset of future investment options.

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- Defence is committed to working with Australian industry, including small and medium enterprise, to strengthen capability and sovereign supply chains. More than 160 Defence seaboats are being maintained and sustained by Australia industry partners around the country. The majority of those boats are Australian made.
- Navy is replacing its aging fleet of J3 seaboats through repair by replacement. The current Australian Industry Capability content for procurement of J3 seaboats is approximately 66 per cent with construction conducted in Australia.
- Sustainment for the J3 seaboats is through Joint Logistics Command and their in house contracted support, Ventia are an Australian Stock Exchange listed Australian company.
- s47E(d) [REDACTED]  
[REDACTED]  
[REDACTED] Army, through Naval Shipbuilding and Sustainment Group, will be reliant upon Australian Industry to sustain the vessels for the life of the fleet.

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- Export opportunities are being explored as a result of this process for Australian companies to sell seaboats in overseas markets.

Contact officer: Ms Helen Loundes, Assistant Secretary Ship Acquisition Specialist Ships Branch

Phone: s22

Clearance	Name	Appointment	Date and time
Cleared by: (Group/Service)	Rear Admiral Wendy Malcolm AM, CSM, RAN	Head Patrol Boats and Specialist Ships	7 June 2024
MECC Embedded Communication Director	s22	Naval Shipbuilding and Sustainment Group Communications Manager	7 June 2024

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**FOR:** Minister for Defence Industry and Capability Delivery  
**INFO:** Deputy Prime Minister  
**CC:** SEC, CDF, VCDF, ASSOCSEC, DEPSEC GOV, FASMECC, DEPSEC NSSG

**MEETING WITH-** s47D [redacted]

**Purpose:**

1. You are meeting with s47D [redacted] to discuss matters of mutual interest.

**Event Details:**

<b>Date</b>	21 August 2024
<b>Time</b>	11:30
<b>Locations</b>	M1.22 Australian Parliament House
<b>Defence officials attending</b>	Nil

**Recent Dealings:**

2. s47D [redacted] recently met with Senator the Hon Carol Brown.
3. Defence is not aware of any recent dealings between you and s47D [redacted]

**Key Issues:**

4. s47D [redacted]
5. [redacted]

<b>Cleared by:</b> Rear Admiral Steven Tiffen AM CSM RAN A/Head Patrol Boat and Specialist Ships Naval Shipbuilding and Sustainment Group s22 [redacted] 19 August 2024	<b>Primary Contact Officer:</b> Ms Helen Loundes Assistant Secretary Ship Acquisition Specialist Ships Naval Shipbuilding and Sustainment Group s22 [redacted]	<b>Secondary Contact Officer:</b> s22 [redacted] Executive Director Ship Acquisition Specialist Ships Naval Shipbuilding and Sustainment Group s22 [redacted]
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**Sensitivity:** Yes

6. s47D [redacted]

**Attachments:**

- Attachment A      Biographical details of s47D
- Attachment B      s47D Company Profile.
- Attachment C      Background.
- Attachment D      Ministerial discussion points.
- Attachment E      MS24-000592 – Cancellation of ADF Family of Seaboats Tender.

ATTACHMENT A

Biographical details of VIPs

s47F	Name:	s47D
	Position:	Chief Executive Officer
	Organisation:	s47D

Brief Work History

s47F





ATTACHMENT B

Company Profile (TO BE PROVIDED BY CASG)

ATTACHMENT C

Background

1. The Naval Shipbuilding and Sustainment Group released a tender (SHIPS/RFT/18421/1) on 26 August 2022 to procure a Family of Seaboats on behalf of the Royal Australian Navy and Australian Army. Tender responses were submitted in March 2023, s47D [REDACTED] s47D [REDACTED]
2. Defence advised its intention to cancel (Attachment E) the ADF Family of Seaboats tender as scoped in the Request for Tender (RFT) due to:  
s47E(d) [REDACTED]
3. [REDACTED]
4. Defence notified all tenderers of the cancellation on 05 July 2024. s47D [REDACTED] were debriefed on the outcomes on 14 August 2024 at Russell Offices, Canberra, Australian Capital Territory.



Australian Government  
Defence

## DISCUSSION POINTS

Meeting Brief – MINDI – Meeting with - s47D

### Discussion Points

- Defence is committed to ensuring the right capability is available to ensure readiness of the Australian Defence Force at all times. The force-in-being is not affected by this reset of future investment options with the cancellation of the Family of Seaboats tender.
- Defence is committed to working with Australian industry, including small and medium enterprise, to strengthen capability and sovereign supply chains. More than 160 Defence seaboats are being maintained and sustained by Australia industry partners around the country. The majority of those boats are Australian made.

**Contact officer** Rear Admiral Steven Tiffen AM CSM RAN  
A/Head Patrol Boats & Specialist Ships  
Naval Shipbuilding and Sustainment Group  
s22

Clearance	Name	Appointment	Date and time
Cleared by: NSSG	Rear Admiral Steven Tiffen AM CSM RAN	A/Head Patrol Boats and Specialist Ships	19 August 2024  0712