

Defence Estate Community Roundtable Series 2026

REPORT 1: TENDER TRANSPARENCY AND PANEL SELECTION PROCESSES

May 2025

PREPARED FOR

Security and Estate
Group

Department of Defence
Russell ACT 2600



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Report 1: Tender Transparency and Panel Selection Processes

Dear SEG Leadership Team,

I am pleased to submit this unsolicited report on behalf of the Defence Estate Community Network (DECNet). It consolidates insights and recommendations from the roundtable on Tender Transparency and Panel Selection Processes, held on 8 May 2025 and attended by 24 industry participants.

This report outlines key issues identified by industry participants and practical recommendations for improvement in Defence's procurement processes. Through analysis of the roundtable discussions and whiteboard inputs, we have identified common pain points impacting industry confidence, capacity planning, value for money, and industry participation, as well as a vision for an ideal future state and proposed actions to achieve it.

The findings are intended to constructively inform ongoing policy thinking within Defence's Security and Estate Group (SEG), in support of fair, clear and consistent tendering practices.

If you have any questions or would like to discuss these findings, please contact me at your convenience (darian.macey@decnet.com.au or 0499 550 219).

Kind regards,

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1 Executive Summary

Background: DECNet Roundtable 1 brought together 24 industry participants on 8 May 2025 to discuss frustrations with Defence tendering and panel selection processes.

Participants – spanning construction contractors, consultants, and suppliers – shared candid experiences about **opaque tender outcomes and “black box” panel arrangements**. The roundtable’s purpose was to convert these—shared observations into constructive recommendations for Defence stakeholders. Key themes that emerged include **insufficient transparency in evaluations, inconsistent communication with bidders, shortcomings in how bids are assessed and debriefed, and structural barriers limiting fair access**. These issues have eroded industry confidence, hindered business planning, and risk reducing value for money and supplier diversity.

Key Discussion Areas: Four categories of issues were repeatedly examined: **Transparency, Communication, Evaluation, and Structural Barriers**.

1. Transparency, participants reported unclear decision-making and minimal feedback (e.g. *“Probity driven excuses for not answering questions in debriefs.”*).
2. Communication, industry cited late or lacking updates (one participant raised the issue of *“Time taken from tender to notification to debrief, staff move on so nobody available that actually assessed the tender”*) and generic debrief comments.
3. Evaluation concerns included perceived over-emphasis on price over value, inconsistency in delivering debriefs, and a sense that incumbents are favoured.
4. Structural barriers such as long-closed panels (*“panels are closed for years - those that missed out don’t stand a chance”*) and onerous bid requirements that *“small businesses can’t compete”* were seen as limiting industry participation.

Key Impacts: These problems have real consequences for both industry and Defence.

- **Confidence** in the fairness of Defence procurement is undermined – some companies have “stopped bidding for Defence work altogether” after repeated vague rejections.
- **Capacity planning** is disrupted by unpredictable timelines (firms held teams “on standby for four months... then found out the work was awarded weeks earlier”).
- **Perceived bias** toward lowest-price selection is affecting **value for money**, as bidders “keep guessing – and over-engineering or under-pricing” in the absence of clarity on what value means.
- **Industry participation** is narrowed; many SMEs and regional players feel they *“can’t justify the cost of bidding if outcomes are delayed or opaque – so only the big players stay in the game.”* In short, the status quo may be dissuading capable suppliers, concentrating

opportunities with a few incumbents, and reducing the overall effectiveness of Defence's procurement spend.

Ideal State: Roundtable participants envisioned an **ideal procurement process** that is fair with respect to transparent disclosure and timeliness. In this ideal state, **evaluation criteria and weightings are clearly published** up front and consistently applied. Bidders receive **meaningful debriefs for every tender**, including scoring breakdowns and rationale for decisions, so they can learn and improve. Communication is proactive and reliable – for example, **regular status updates** are provided after tender close (rather than silence), and if timelines slip, industry is informed early. Defence would make better use of existing tools like AusTender (e.g. keeping the "Planned Procurement" schedule up to date) to signal upcoming opportunities and changes. An ideal system also lowers barriers to entry for newcomers: panels would be periodically refreshed or open-tiered, security vetting (e.g. DISP) once achieved would ensure a firm *"should be able to bid into projects and shouldn't be hindered as an incumbent"*. Overall, the vision is one of a **consistent, well-communicated process** that builds trust – where *"bad news doesn't get better over time"* so even unsuccessful bidders are informed promptly, and both government and industry can plan with confidence.

Recommendations: The report offers **practical recommendations** to move toward this ideal state, framed as **quick wins vs. longer-term reforms**.

Quick wins (high-impact, low-effort actions) include: immediately implementing more transparent debrief practices (even a short explanation of strengths/weaknesses for each bidder), providing routine schedule updates to tenderers, and enforcing a minimum notice period (e.g. 1 month) for any extension or delay in tender timelines. It was noted that some Defence groups already model good communication (Internal SEG project directors were cited as an "exemplar" of excellent communication); extending such practices across all project teams (including contracted PMCA consultants managing tenders) is a near-term opportunity.

Longer-term reforms involve structural and policy changes: introducing mandatory training for personnel who deliver debriefs to improve their quality and consistency, revising panel arrangements to allow new suppliers regular entry points, refining the definition of "value for money" in assessments to look at whole-of-life value (not just upfront cost), and considering mechanisms like bid cost stipends for large tenders to incentivise broader industry participation. These and other recommendations are detailed in the report, along with suggested prioritisation (e.g. which are "quick wins" versus medium or long-term initiatives).

In summary, addressing the identified issues will help Defence achieve **greater transparency, efficiency and industry engagement** in its procurement. By implementing the recommended measures, SEG can bolster industry confidence in Defence infrastructure tenders, gain better value through stronger competition, and ultimately foster a more resilient supplier base. The following sections provide context and detailed findings from the roundtable, followed by the full set of recommendations and supporting appendices (attendance and whiteboard summary) for reference.

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2 Background

Roundtable Purpose: *“The truth is that tender outcomes often feel opaque, feedback is vague or non-existent, and the panel system can feel like a black box, especially for new or regional businesses”.* This sentiment, voiced by DECNet facilitator Darian Macey, set the scene for Roundtable 1. The roundtable was convened as the first in a series aimed at constructively tackling pain points in Defence infrastructure projects. Its purpose was **not to vent grievances**, but to **identify patterns** in industry experience and **co-create solutions**.

Defence Estate Group stakeholders had expressed openness to improving processes, so the roundtable served as a **neutral forum** where industry professionals could candidly discuss what is working, what isn’t, and how to make tenders fairer and more effective.

Participants

The session was attended by a diverse cross-section of the defence infrastructure sector – **24 participants** including major and minor contractors, consultants, and Defence-adjacent service providers (see Appendix A for a full attendance list). Many brought years of experience bidding on Defence projects. Also present were representatives from industry associations and former Defence personnel now in the commercial sector. This mix enabled a rich discussion combining perspectives from **large firms and SMEs, urban and regional providers, and various professional disciplines**. Chatham House rules applied, so insights were shared openly and recorded without attribution. An online collaborative whiteboard (Miro) was used to capture issues and ideas in real time, and an annotated summary of that board is provided in Appendix B.

Discussion Structure

The 90-minute virtual roundtable was facilitated in stages corresponding to the sections of this report. Participants first **named key observations** in four categories (Transparency, Communication, Evaluation, Structural/“Other” barriers). Next, they discussed **impacts** of those observations on their businesses and on Defence’s outcomes. The group then imagined the **“ideal state”** of an improved tender process. Finally, a brainstorm of **potential fixes and recommendations** was conducted, which were later grouped into short-term and long-term actions. Throughout, the emphasis was on remaining constructive and solution-focused: as the facilitator noted, *“today isn’t about rehashing old grievances – it’s about converting these shared frustrations into something useful”*. The ideas and quotes captured below are drawn from the discussion transcript and the collaborative whiteboard.

3 Key Observations Raised

Despite coming from different roles and companies, roundtable participants voiced **consistent concerns**. Most observations fell into one of four interrelated categories: **Transparency, Communication, Evaluation, and Structural barriers** in the tendering process. This section summarises the key observations in each category, with direct examples and quotes from industry to illustrate the sentiments behind them.

3.1 Transparency

Transparency emerged as a foundational concern – many in industry feel that the **basis of Defence tender decisions is not adequately transparent**. Several attendees described experiences of bidding into a void and receiving little to no explanation of outcomes:

- **Lack of outcome feedback:** Companies often invest significant effort and resources into bids, only to get *“no useful feedback”* if unsuccessful. One participant recounted, *“We submitted a strong bid, but never found out how we ranked.”* In some cases, firms learned they weren’t selected without understanding why, leaving them in the dark about how to improve.
- **Inconsistent debrief practices:** While Defence tender administrators **do offer debriefs**, they tend to be overly formulaic and their quality and availability vary widely. Some noted an *“inconsistency in delivery of debriefs”* – in some cases debrief meetings are informative, but in others they are perfunctory or declined altogether. It was mentioned that if a long time passes after award, the staff who actually evaluated the tender may have moved on, resulting in a debrief where *“nobody [is] available that actually assessed the tender.”* This undermines the debrief’s value.
- **Probity as a barrier to transparency:** Participants reported that **probity is sometimes overemphasised to the point of obstructing a level of what would be termed “reasonable feedback”**. In debriefs, detailed questions are often met with *“probity-driven excuses for not answering”*. While confidentiality and fairness are critical, industry feels the pendulum has swung too far – citing probity to avoid giving any specifics even after contract award. As one attendee observed, *“Probity is used as a reason to avoid discussion, even post-award.”* This leaves bidders frustrated that legitimate questions about their submission’s strengths/weaknesses go unanswered.

Overall, the **“black box” feeling** was prevalent. Companies invest heavily in tenders at increasingly high commercial costs, but come away with imbalanced constructive insights. The lack of transparency not only frustrates individual bidders but also limits the feedback loop that would otherwise help industry align with Defence’s needs. This theme ties closely to communication and evaluation practices, discussed next.

3.2 Communication

Open communication is a cornerstone of effective procurement, yet participants described the current tender communication experience as **sporadic, last-minute, and one-way**. Several specific communication pain points were raised:

- **Post-tender silence and delays:** Once bids are submitted, companies often hear little until an eventual decision. One attendee shared, *"We were told to expect an outcome in February — it's May and we've heard nothing."* Such delays without updates leave bidders and their project teams in limbo. Even announcements of delays come very late: *"Extensions happen at the last minute"* was a common refrain. This unpredictability complicates resource planning (teams are left on standby, as noted earlier). It also creates anxiety and erodes trust.
- **No single point of contact:** Industry members feel there is *"no central contact point once tenders close. You're left in limbo."* During the RFT stage, there is usually a designated contact for questions. But after the tender closes, communication channels shut down. If months pass with no word, bidders have no one to reach out to for an update. This lack of engagement was highlighted as a fixable issue – even a periodic email stating "evaluation is still underway" would be preferable to silence.
- **Generic or unhelpful feedback:** When feedback is given, participants said it is often cursory. *"Feedback is generic and feels cut-and-paste. It's not helpful for improving future bids."* This suggests debrief letters or meetings that only provide high-level statements (e.g. "others had more experience") without any actionable detail. Such boilerplate feedback fails to fulfil its purpose of helping bidders learn and do better next time.
- **Communication inconsistency and trust:** The reliability of communications was questioned. One note on the board read: *"lack of trust in the comms – do they do what they say they will do, and when?"*. Some Defence teams communicate well, but others have a pattern of missed commitments (e.g. slipping dates, unanswered queries). Interestingly, participants singled out the Security and Estate Group (SEG) staff as a positive example – *"SEG is the exemplar in Defence – excellent communication... good access to SEG"*. The problem, they suggested, is often with external procurement agents or project managers (PMCA firms) acting on Defence's behalf: *"The problem is PMCA – very weak at reporting, reactive... frustrating comms."* In other words, when Defence delegates tendering to third parties, the communication quality can drop, and industry's trust in the process diminishes.

Overall, poor communication amplifies the frustration of non-transparent outcomes. When bidders are kept in the dark for long periods and then given scant feedback, it not only harms their ability to improve, but can also tarnish Defence's reputation in the market. Improving the consistency, timeliness, and candour of communications (while still observing probity) was seen as one of the **easiest "quick wins"** available.

3.3 Evaluation

The way Defence tenders are evaluated – from criteria and weightings to the conduct of evaluation teams – was the third major category of concerns. Participants acknowledge that Defence **must evaluate bids objectively**, but they highlighted several observations in current practices:

- **Criteria weightings vs. outcomes:** A frequent comment was that the published criteria or weightings in RFTs do not always seem to match the eventual outcome. As one participant put it, *“Weightings in the RFT don’t reflect what seemed to drive the decision.”* For example, RFT provide weightings for non-price factors (technical capability, methodology, etc.) but they don’t describe the importance of non-price factors relative to price. Industry observes growing instances where **the lowest-priced bid wins** despite only marginal technical compliance, suggesting price in practice trumped all. This leads to confusion and scepticism about the true priorities in evaluation consistent with the Commonwealths Procurement Rule (CPR’s).
- **Focus on lowest price over value:** Relatedly, many felt there is an overwhelming emphasis on upfront cost. *“Too much emphasis is placed on lowest price, despite the ‘value for money’ language.”* Several contractors noted that they see a pattern of awards going to the cheapest bidder (“history has shown that cheapest usually wins”), even when that bid may not represent the best long-term value. This not only disadvantages firms who invest in higher-quality solutions, but can also result in poorer project outcomes (e.g. more variations later). Participants suggested that the **Value for Money (VFM)** concept needs to be applied more holistically – considering whole-of-life costs, quality, and performance – rather than appearing to default to lowest price.
- **Perceived incumbent advantage:** There was a feeling among some SMEs that *“the evaluation appears to favour incumbents or known players.”* New entrants to Defence work struggle to break in, even with strong bids, leading to a perception (right or wrong) that panels or selection committees prefer companies they’ve worked with before. This is exacerbated by closed panel arrangements (discussed under structural barriers) where incumbents are the only ones eligible by default. While it’s natural for experience to count, the **lack of transparency** feeds speculation that who you know might carry undue weight.
- **Timeliness of evaluations:** Beyond *what* is evaluated, *how long* it takes was an issue. Industry is often left waiting months for tender results, as noted earlier. Part of this is tied to internal Defence processes – evaluation panels may be slow to convene, or decisions bogged down in approvals. One comment was that the **evaluation period itself could be unnecessarily long**, delaying projects and tying up bidder resources. Faster, more efficient evaluations (or at least clearer signals of expected timeframes) would greatly help industry manage their own workload.

- **Quality of evaluation feedback:** Participants also pointed out that the evaluation team's findings are not being effectively communicated back to bidders. Detailed evaluation sheets are never shared; instead, as noted, feedback is summary-level. Recording of debriefs is prohibited and attendance numbers are usually capped. The **lack of detailed feedback criteria** (e.g. scoring against each requirement) leaves bidders guessing where they fell short. Some mentioned they would appreciate knowing, for instance, that they scored lower on methodology and why. Additionally, the expertise of evaluation teams was mentioned – a note about "*lack of experience in the TEB (Tender Evaluation Board)*" suggests that in some cases junior or less experienced staff are assessing complex proposals, potentially affecting the quality of both evaluations and feedback.

In summary, the **evaluation process** is viewed as something of a black hole: criteria may not be applied as expected, and the rationale for decisions isn't clearly fed back. This ties directly to both transparency and communication observations. The recommendations later in this report include steps to **align evaluation practices with stated criteria**, ensure value-for-money truly considers value, and improve the feedback loop to bidders.

3.4 Structural Barriers

Finally, a set of observations went beyond communication or process into the **structural design of procurement mechanisms** – essentially, the rules and formats of how Defence engages industry. These "big picture" factors can unintentionally create barriers. Key structural barriers identified include:

- **Closed Panels and Market Access:** Defence often uses panel arrangements or exclusive contracting frameworks for procurement. Industry representatives argued that some panels are too static: "*Panels are closed for years — new entrants don't stand a chance.*" Once a panel (or panel tier) is established, companies not on it have no opportunity until it is refreshed, which might be many years. This can **stifle competition and innovation**, as the pool of tenderers is limited to the same players. It was suggested that more frequent panel refreshes or mechanisms to onboard new suppliers (especially SMEs or regional firms) would keep the playing field competitive.
- **Onerous Tendering Costs:** The **cost and effort to participate** in Defence tenders is substantial. One participant bluntly stated, "*The tender process is so resource-heavy that small businesses can't compete.*" Larger firms can absorb the expense of dedicated proposal teams, repeated bid rounds, and complex compliance requirements; smaller firms struggle to do the same. This not only disadvantages SMEs, it can reduce overall value as potentially innovative smaller providers opt out. The group discussed ideas like stipends for bid costs (in large tenders) or streamlining processes for lower-value projects to reduce this burden.

- **Scope constraints and procurement design:** Some structural barriers related to how work packages are defined. For example, one person noted being *"asked to tender for 'install only', [with] no control over procurement timeframes for equipment"*. This reflects scenarios where the division of responsibility in contracts can set contractors up for failure (if they must price and schedule work but someone else controls long-lead equipment delivery). Such procurement design choices can deter participation or lead to disputes later. Another example given was tenders that specify particular products or even subcontractors ("specialist providers") in the documentation, which *"closes the market to other providers"* and may inflate costs (since all bidders must source from that one provider).
- **Probity and information-sharing rules:** While probity was discussed under transparency, it's also a structural matter in terms of **policy constraints**. There appeared to be confusion or over-caution regarding what information can be shared. Questions like *"How many tenders were received? Why can't we get this info?"* and *"Who made the shortlist"* arise often. In many public tenders, disclosing the number of bids or even the names of winners/losers is standard practice, but in Defence this seems guarded. There may be opportunities to clarify the **Commonwealth Procurement Rules (CPRs)** on debrief information so that procurement officers feel confident sharing more than they do today.
- **Training and turnover:** A structural challenge on the client side is high personnel turnover and variable training, which affect consistency. Attendees observed that new or rotating staff may not be fully versed in procurement best practices, leading to weaker communication or debriefs. There was a specific suggestion to implement a *"training program for people doing debriefs"*, and to ensure contract managers (whether internal or external) uphold better standards. Without structural fixes like this, any improvements might not sustain due to people changes.

In summary, these structural observations highlight that **it's not just how Defence runs individual tenders, but the framework in which tenders occur that can pose challenges**. Addressing these may require policy changes (e.g. panel management, bid cost policies, internal training mandates) but would yield a more level playing field and efficient process.

4 Impacts on Confidence, Capacity, Value and Participation

After identifying the observations, the roundtable discussion turned to **mapping the impacts** – essentially, how do these problems affect industry behaviour and outcomes, and by extension, Defence's objectives? Four impact areas were examined: **(1) Confidence & Resource Allocation, (2) Capacity Planning, (3) Industry Participation, (4) Value for Money.**

4.1 Impact on Industry Confidence & Resource Allocation

A major theme was that opaque and inconsistent processes are **eroding industry's confidence** in doing business with Defence. When companies cannot predict how tenders will run or feel outcomes are arbitrary, they become less willing to invest time and money in bidding.

Several participants gave examples of **withdrawing from the Defence market** due to frustration. *"After two vague rejections and no useful feedback, they've stopped bidding for Defence work altogether,"* one participant admitted, referring to a partner they worked with. This quote underscores a dangerous point: Defence risk losing otherwise capable suppliers because they simply cannot justify the effort amid perceived unfairness or randomness. It only takes a few bad experiences for a company's leadership to decide to pursue work elsewhere.

Resource allocation within firms is also impacted. Bidding on Defence projects ties up key staff and proposal budgets. If the process drags on or communication is poor, those resources remain in limbo. One company *"held staff on standby for four months waiting on a tender result – then found out the work was awarded weeks earlier."* Not only did this imply lost opportunity cost (those staff could have been doing other billable work), but the lack of notification meant an even longer period of uncertainty. Incidents like this make firms hesitant to commit resources next time; internally, it becomes harder for champions of Defence projects to argue it's worth the risk.

Unpredictability in release and award dates leads to inefficiency. The whiteboard noted *"loss of dedicated resource allocation when tender release dates are pushed and changed."* In practice, companies might assemble a bid team for an expected RFT release in a given month, only for the RFT to be delayed repeatedly. This start-stop cycle can strain smaller businesses especially. Likewise on the delivery side, a delayed contract award can create a scramble – one note described *"awards advised late, creating resource constraints in delivery"*. In other words, when an award comes much later than planned, the winning contractor may have to reallocate staff who have since been assigned elsewhere, impacting project ramp-up.

The net effect is a **trust deficit**. Firms become cautious about what Defence tenders to pursue, budgeting extra contingency for uncertainty, or avoiding Defence work unless they are incumbents. This is clearly not the outcome Defence would want; rebuilding confidence through better transparency and communication can help ensure a broader pool of willing, committed bidders.

4.2 Impact on Capacity Planning and Industry's Capability

Poor tender practices also have a broader impact on **industry capacity and capability planning**. Australia's infrastructure industry has finite resources, and unpredictable procurement affects how those resources are allocated sector-wide:

Pipeline planning: Defence is a significant client in the construction/infrastructure domain. When its procurement timelines slip or are opaque, it messes with industry's ability to plan capacity for Defence vs other work. For example, if a Defence project's tender is delayed by 6 months without notice, a construction firm might have left a "hole" in its schedule anticipating that work – a hole that might be hard to fill last-minute. Conversely, sudden tender releases with short turnarounds can cause companies to **overextend proposal teams**, juggling multiple bids. One participant pointed out that without clarity, they end up *"tendering [for] too many opportunities, to achieve the numbers required to win a project, with lack of clarity around award dates"*. This shotgun approach is inefficient for industry and could lead to lower quality bids.

Talent and resources in region: Uncertainty can disproportionately affect regional and smaller players. They often have to choose carefully which few tenders to pursue (due to limited bid team size). If those tenders are then delayed or fruitless, it hits their business hard. As noted earlier, some simply stop bidding after repeated bad experiences, which in the long run **reduces the pool of available suppliers**. That can create capacity bottlenecks for Defence – if only a few big players bother to bid, their own resources might become stretched across many projects.

Long lead equipment and dependencies: Another capacity aspect discussed was the ripple effect on supply chains. When project awards are delayed or uncertain, procurement of critical long lead items (like specialist equipment) is impacted. The whiteboard noted that *"projects being paused impacts purchasing of long lead items"*, meaning vendors may hold off ordering gear until contracts are certain. This can then cause further project delays once things do go ahead. Inconsistent procurement thus reverberates through subcontractors and suppliers, not just the prime bidders.

In summary, clearer and more reliable procurement scheduling (and communication thereof) would allow industry to **optimise its capacity planning**. It would reduce wasted effort and help

ensure the right resources are available when Defence needs them. Industry essentially asked for Defence to “help us help you” by being transparent with timelines and changes.

4.3 Impact on Industry Participation (SMEs, New Entrants, Regional Firms)

One of the stark impacts of the current system is on **who participates** in Defence tenders. The harder and more opaque the process, the more it favours those with established Defence experience and the resources to weather uncertainty.

SMEs and new entrants: The consensus was that smaller firms and newcomers face an uphill battle. Beyond the learning curve (“don’t know the language or people”), the combination of heavy bid costs, long silence, and zero feedback often leads them to conclude it’s not worth it. As noted, some have exited the Defence market entirely due to these hurdles. *“As an SME it can be hard getting in the door – how do you get specified?”* was a poignant question raised. It refers to the common scenario where tender docs specify certain products or accreditation; without prior Defence projects, SMEs struggle to meet those specs or be “known” enough to be included. The result is a sort of **closed club** of repeat players. From an industry development perspective, this is problematic – it does not foster a healthy pipeline of new providers growing into the space.

Regional and Indigenous businesses: Although not explicitly separated in notes, one can infer these groups face similar or greater challenges. If panels remain closed and local newcomers can’t break in, Defence may miss out on regional capacity or Indigenous enterprise participation (which are priorities in other government procurement policies). The phrase *“slow burn for companies to enter the sector – complex, confusing...”* captures that it can take years of perseverance for a new entrant to win something, which many cannot sustain. Additionally, *“no one [is] coaching SMEs to know how to navigate the systems and processes”* – there is a gap in support or guidance for those trying to enter Defence contracting.

Consolidation of incumbents: The flip side of fewer new entrants is that incumbents face less competition. While this might benefit those firms in the short term, it’s not healthy in the long term for Defence or industry. A small group of suppliers with guaranteed work can lead to capacity constraints and potentially higher prices over time (lack of competitive tension). Participants from larger firms also acknowledge this – they too benefit from a broader, innovative supply chain and dislike tender processes that are seen as tokenistic or predetermined.

In summary, the current tender approach, unintentionally, tends to **exclude exactly the kind of participants Defence policy often aims to include** (SMEs, regional, etc.). Improving

transparency, feedback, and reducing unnecessary bid costs would encourage greater participation and competition, which in turn improves outcomes for Defence.

4.4 Impact on Value for Money

Finally, the group considered how these observations impact **value for money (VFM)** for Defence – arguably the core goal of procurement. Several insights emerged on how suboptimal processes can lead to suboptimal value:

Over-engineering or under-pricing: When industry is guessing at what Defence really values (due to lack of feedback or clarity), they may hedge their bets in unhelpful ways. One quote was, *“If Defence doesn’t clearly explain what ‘value’ means in each tender, the industry will keep guessing – and over-engineering or under-pricing.”* Over-engineering means a bidder, unsure of criteria, might propose a gold-plated solution to cover all bases – potentially raising costs unnecessarily. Under-pricing is the opposite risk: bidders might cut margins to win on price since they assume that’s all that matters (especially if they’ve seen higher-quality bids lose to cheaper ones). This can result in unsustainable contracts or corners cut in delivery. Neither outcome is truly best value for Defence.

“Cheapest wins” syndrome: Multiple anecdotes indicated that consistently picking the lowest price is believed to hurt value for money over the project lifecycle. For instance, one comment noted *“companies buying Planning Phase work... well below what it would cost”*, meaning some firms intentionally bid very low (possibly even at a loss) to secure a contract, expecting to recoup later or using it as a loss leader. This suggests a **race to the bottom** which can compromise quality. Indeed, an experienced participant remarked, *“Experience has shown [you] could have the best technically scored tender, but...lowest price selection [wins].”* The implication is that Defence may sometimes forgo a higher-quality solution for a cheaper one, which could lead to higher costs downstream (through variations, performance issues, etc.). True VFM should balance cost and quality, and the perception is that balance isn’t quite right at present.

Misalignment of evaluation with contract type: Another subtle point noted was that **different contract forms have different VFM considerations**, but a one-size-fits-all evaluation approach is used. For example, a Design & Construct contract vs. Construct-Only vs. a Schedule of Rates all distribute risk and cost differently. If Defence uses the same tender evaluation template for all, it might not capture the nuances of value for each approach. This can lead to “apples vs oranges” comparisons that don’t truly identify the best value bid. Providing clearer guidance or criteria tailored to each procurement type could improve this.

In essence, the group felt that improving transparency and evaluation methods would lead to better **value outcomes**. When bidders understand what Defence values (and believe those values will be applied in selection), they will propose more optimally – neither excessively cheap nor needlessly expensive, but the best solution for the requirement. Also, maintaining strong competition (via broad participation) ensures Defence isn't forced to accept sub-par value due to lack of choices.

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5 'Ideal State' Vision from Participants

When asked “**What would a fair, transparent, and timely process look like?**”, participants described a notably improved future state. This “blue sky” ideal provides a target for Defence to aim for. The key characteristics of an ideal tender and panel process were identified as follows.

Clear criteria and expectations: In the ideal state, there are **no surprises in how tenders are decided**. All evaluation criteria, including detailed weightings or scoring rubrics, are published with the RFT (request for tender). For panels, there is a transparent framework for how work is allocated to panel members. Decisions made by Defence can be traced back to these published criteria. Essentially, if a bidder loses, they should be able to understand from the outset why that might have happened (e.g. another bidder had demonstrably lower price or superior relevant experience based on the stated criteria).

Regular and proactive communication: Participants imagined a process where communication doesn't stop when bids are submitted. **Defence (or its contract managers) would provide periodic updates** after tender close – even a simple email such as “Evaluations are progressing, an outcome is now expected in X month”. A specific idea was a scheduled “**comms cycle**” tied to the procurement timeline. Rather than bidders having to chase for information, updates would be pushed out consistently. Moreover, if a tender process is running late, all bidders would be informed of the revised timeline promptly (no more ghosting until award). This would mirror best practices seen in private sector procurements or in some Defence groups that already do this informally.

Timely decisions and feedback: In an ideal scenario, the time from tender close to contract award would be reasonable (not the many months currently experienced in some cases). Each **tenderer would receive a debrief and rationale** for the decision shortly after award. Importantly, this would apply to **every** tenderer, not just those who formally request it or major bidders. Automatic debriefs would normalise the process of giving feedback. Participants felt this is crucial for continuous improvement. The feedback itself would be more substantive – for example, including the winning bid's evaluated strengths and the areas where the losing bid scored lower. While certain details can't be disclosed, even knowing relative ranking on criteria would help. In the ideal state, **no bidder walks away wondering why they lost**.

Efficient panel management: For panel arrangements, the ideal state would allow **new companies to enter and compete** on a fair footing. One participant suggested once a company has gone through necessary vetting (e.g. the Defence Industry Security Program, DISP), they should “*be able to bid into projects and shouldn't be hindered by there already being an incumbent.*” This implies panels might be structured more openly, or at least have regular refresh

opportunities. Additionally, work distribution on panels would be more transparent (so firms know how to get a fair share of tasks, not just ad hoc). An ideal could be a dynamic panel or prequalification system (the example of “like **JOSCAR**” – a UK defence supplier accreditation – was mentioned) which continuously pre-approves suppliers who can then be invited to tenders without needing a closed panel.

Better alignment with industry’s business cycles: The ideal Defence tender process would consider the **business realities of suppliers**. For instance, it would provide better forward notice of upcoming tenders (using tools like AusTender’s Planned Procurement listings effectively). Consistent updates to the **Estate Works Program (EWP) forward schedule** were mentioned as a need. The idea is that if industry knows what’s coming and when, they can budget and allocate resources accordingly. Also, scheduling tenders with enough lead time (the “1 month notice” quick win idea) and avoiding holiday periods were noted. In essence, treat industry’s time with respect – an ideal process is not constantly “urgent” or last-minute, but planned out in partnership with industry’s capacity.

Balanced focus on value: In an ideal state, **Defence would be more decisive about what it wants and communicate that definition of value** clearly. This could mean articulating in each tender what aspect carries most “value” (e.g. is it speed, technical solution, through-life support cost?). One sticky note read: *“More definition on ‘Value’”*. Additionally, tenders would evaluate **total cost of ownership** where applicable – *“evaluate total cost, durability, and maintenance needs of products over their full service lifespan”* was one idea on the board. This ensures awards aren’t just based on cheapest bid but on what will serve Defence best in the long run, which is the true meaning of value for money.

Supportive and professional conduct: Culturally, the ideal tender process would be marked by a spirit of partnership. Defence project teams (and their contracted procurement agents) would be **trained and incentivised to treat suppliers professionally** at all stages. The suggestion to *“conduct training for people doing debriefs”* in the long term illustrates this – ensuring that those interfacing with industry can communicate constructively, even when delivering bad news. In the ideal state, even an unsuccessful bidder feels they were treated fairly and with respect, and thus is more inclined to bid again in future.

In summary, the participants’ ideal state is not far-fetched – it resembles best practices in procurement observed elsewhere, and even within some pockets of Defence. It basically calls for a shift from a sometimes adversarial or opaque stance to one of openness, consistency, and partnership with industry. Achieving this ideal state would address the frustrations identified and produce better outcomes for Defence projects.

6 Actionable Recommendations (Effort vs. Impact)

Building on the ideal state vision, the roundtable generated a set of **actionable recommendations** for Defence Estate Group and relevant policy-makers. These recommendations are organised by timeframe and effort required – “**quick wins**” that could be implemented relatively easily in the short term, and **longer-term reforms** that may require policy changes or substantial effort but offer significant impact. The goal is to provide a practical roadmap for improvement, recognising that some fixes can be done immediately, while others will take sustained commitment.

Below is a summary of the key recommendations:

6.1 Quick Wins (High Impact, Low Effort)

These are changes that **could be implemented within months** using existing structures and authority, with minimal cost, yet would noticeably improve current processes:

1. **Institute Regular Bidder Updates:** Establish a practice of sending brief **status updates to all tender participants** at defined intervals after tender close. For example, an email at the 1-month mark if evaluation is ongoing, and subsequent monthly (or as needed) updates until award. This keeps bidders engaged and informed, addressing the communication void issue. *Impact:* Maintains bidder trust and allows better resource allocation on their side.
2. **Enforce Timely Debriefs for All:** Make it standard that **every bidder receives a debrief** (at least in writing) within a set period (e.g. 2 weeks) after the tender decision is finalised or immediately following contract award. Even a one-page tailored feedback is better than silence. For quick adoption, this could be added as a requirement in tender templates and panel contracts. *Impact:* Provides immediate transparency and learning opportunities; suppliers will feel heard and valued and can release their resources for other tasking. (*Note: Some Defence teams already do this; mandating it across the board levels the field.*)
3. **Improve Debrief Content (No More Generic Feedback):** Issue guidance or templates for debriefs that require specificity – for instance, include 2–3 key reasons why the bid was not selected, and areas to strengthen. Use descriptive scoring over boiler-plate phrases. *Impact:* Bidders gain actionable insights; over time, this improves quality of proposals received by Defence as suppliers address noted gaps.
4. **Minimum Notice for Changes:** Commit to a “**no surprises**” rule on tender timeline changes. If a tender closing date or award date needs to shift, inform all bidders as soon as possible, ideally with at least 1-month notice. Internally, this might mean better project planning and communication between Defence and any external procurement agents.

Inform all stakeholders (not just those who submitted bids) by using the AusTender ATM listing. *Impact:* Bidders can adjust schedules with minimal waste, reducing frustration and cost.

5. **Leverage AusTender for Transparency:** Fully utilise the **Planned Procurement** feature on AusTender (or Defence's procurement pipeline publications) to signal upcoming tenders well in advance. Ensure that these entries are kept up-to-date – if a planned tender is delayed or changed, update the public listing. Once a tender is closed, continue to update the ATM listing to inform stakeholders on progress. When publishing Contract Notices, provide a clear link to the relevant project, such as by including the EST number and contract type in the description. *Impact:* Industry can see what's coming and prepare; this particularly helps SMEs who plan resources tightly. It also reduces the need for ad-hoc inquiries about future work.
6. **Hold Industry Briefings/Communication Sessions: Conduct quarterly briefings with industry** to outline the forward program and address common questions. Participants noted CFI already holds biannual briefings (e.g. CFI directors doing a good job); increase frequency and extend this practice to include DEWPO. In tender briefing sessions held to clarify scope, focus on the contract-specific value definition. *Impact:* Builds a two-way dialogue, helps align industry understanding with Defence's needs, and can clear up ambiguities that might later lead to misaligned bids.
7. **Clarify Probity Guidelines for Debriefs:** Issue a clarification (or training) to procurement staff on what information **can** be shared in debriefs under the CPRs. Emphasise that the name of the winning tenderer, contract price, numbers of bids, relative rankings, and specific bid shortcomings **are allowed to be shared** as long as confidential details of competitors are not disclosed. *Impact:* Reduces the over-zealous withholding of information; empowers staff to be more open, thus increasing transparency without violating probity.
8. **Recognise Good Performers (and Spread Best Practice):** Identify Defence project teams or contract managers who are already exemplars in communication and transparency. Use them as a model to develop quick case studies or internal guidance that can be shared across Security and Estate Group and PMCA firms. *Impact:* Encourages a culture of good communication and gives less-experienced teams a concrete example to emulate.

6.2 Longer-Term Reforms (Structural Improvements)

These recommendations likely require **policy changes, cross-department coordination, or significant resource investment**. They are aimed at fundamentally improving the structural barriers identified. While they may take longer to implement, starting work on them now will yield substantial benefits in the long run:

9. **Regular Panel Refresh and On-Boarding:** Reform panel contracts to include periodic refresh opportunities (e.g. annually or biennially) where new suppliers can be admitted if they meet the criteria. Alternatively, shift to **open panels or multi-use lists** that are continuously open for qualified suppliers to join. *Impact:* Keeps panels dynamic and merit-based, allowing SMEs and new entrants a fair chance, which increases competition and innovation for Defence. It directly addresses the “closed for years” complaint.
10. **Bid Cost Reimbursement for Large Tenders:** Consider introducing **bid stipends** for high-value or complex procurements – for example, a nominal payment to shortlisted unsuccessful bidders who meet quality thresholds. A suggestion was to “*pay a stipend to bidders above a certain threshold*” (e.g. projects over \$100M). *Impact:* This encourages broader participation (firms know their sunk bid cost risk is partially offset) and can lead to more robust competition, ultimately improving value for money. It also signals that Defence values the effort bidders put in.
11. **Comprehensive Training for Procurement Personnel:** Develop a targeted **training program for all staff (and contractors) who manage tenders and debriefings**. This should cover best practices in communication, how to conduct a useful debrief, understanding of procurement rules, and industry engagement skills. Make this training mandatory for contract/project managers (whether internal SEG staff, external PMCA, or panel leads). *Impact:* A more professional and consistent interface with industry. Over time, this elevates the overall conduct of Defence procurement to be on par with private sector best practice, reducing variance in bidder experience.
12. **Enhance Evaluation Frameworks:** Conduct a review of how **value for money assessments** are done, with aim to integrate whole-of-life value considerations. Update guidelines so that tender evaluation plans explicitly tie to desired outcomes (e.g. if quality is critical, ensure scoring reflects that adequately). Also, develop alternate evaluation models for different procurement types (one size may not fit all). *Impact:* This will result in selections that truly deliver best value, not just lowest initial cost. Bidders will adapt to these clearer expectations, improving the standard of submissions. It also makes debriefs easier – if the framework is clear, explaining decisions is straightforward.
13. **Define “Value” in Each Procurement:** As a policy, require that **tender documents articulate the key value drivers** for that project. For instance: is schedule paramount? Is an innovative solution valued over a compliant one? This narrative guidance, even a few sentences in the RFT, can signal to industry how to tailor their approach. *Impact:* Ensures alignment of proposals with Defence’s true priorities, reducing the guesswork and spread of bids. It can also discourage extreme lowball pricing if it’s clear that isn’t the sole winner.
14. **Strengthen Early Elimination and Notification:** Implement a mechanism where bids that are clearly non-competitive can be **eliminated and notified early** in the evaluation process. For example, if a bid is far over budget or non-compliant, Defence could notify that bidder

that they are out of the running (subject to probity clearance). As one note succinctly put it, *“Early notification to tenderers who are no chance of winning – then they can move on. Bad news doesn’t get better over time.”* *Impact:* While this might not be feasible in all cases, where it can be done it saves the bidder from waiting needlessly and focusing on other opportunities. It also exemplifies the transparency and respect that build long-term goodwill.

15. **Improve Procurement Scheduling and Coordination:** At a higher level, SEG can work with capability and project planners to **smooth out the procurement pipeline**, avoiding bunching of many tenders at the same time or rushed timelines due to funding deadlines. More programs of work (batching similar projects) was mentioned as an idea – for example, bundling multiple small projects into a program can reduce administrative overhead and allow for longer lead times in planning. *Impact:* A more predictable and managed tender schedule will alleviate a lot of the pressure and resource conflicts for industry, leading to better quality bids and execution.
16. **Monitor and Enforce Communication Standards:** As a governance measure, SEG could set up a system to **monitor bidder satisfaction or gather feedback** on major procurements. For instance, a short survey to bidders post-tender asking about clarity, communication, etc. This would identify if certain project teams or PMCA firms are consistently under-performing in communication or fairness. Action (re-training or contractual incentives) could then be taken. *Impact:* Creates accountability for maintaining the improvements and ensures the cultural change (toward openness and consistency) takes root.

The above recommendations are further illustrated in the whiteboard summary (Appendix B), which plots some ideas in a quick-win vs long-term matrix. Implementing a combination of these actions will move Defence’s procurement process significantly closer to the “ideal state” envisioned by industry participants. In doing so, Defence’s Security and Estate Group can expect to see **increased bidder engagement, more competitive offers, and stronger industry partnerships**, ultimately delivering better value infrastructure outcomes for Defence.

7 Conclusion

The DECNet Roundtable 1 underscored a clear message from industry: **they want to work with Defence, but they need the process to be fair, clear, and consistent**. The candid input from participants revealed that relatively simple changes – like better communication and feedback – could dramatically improve industry’s experience with Defence tenders. These improvements are not just “feel-good” measures; they are fundamentally linked to achieving better project results and value for money. When suppliers understand the rules and trust the process, they invest more effort and creativity into their bids, which benefits Defence.

Conversely, if frustration and cynicism grow in the market, Defence risks reduced competition, higher risk premiums, and potentially missing out on innovation from smaller players. The good news is that Security and Estate Group, by taking on board the **insights and recommendations** in this report, can begin to turn the situation around quickly. Some actions can be taken immediately (many are within SEG’s control or influence), while others may require broader Departmental buy-in. Importantly, industry is not asking for less rigor or lower standards – they are asking for **greater transparency, consistency, and engagement**, which are entirely achievable within the confines of government procurement rules.

This report, submitted by DECNet on behalf of industry stakeholders, is intended as a constructive contribution to ongoing improvement efforts. The **recommended quick wins** offer a starting point that SEG can implement in current and upcoming tenders, demonstrating early commitment to change. The **longer-term recommendations** provide a vision for more systemic reform, which can be pursued in parallel through policy updates and capability development within Defence’s procurement cadre.

By acting on these recommendations, Security and Estate Group can strengthen trust with industry, leading to better outcomes on both sides: companies will be more willing to invest in pursuing Defence work, and Defence will receive higher quality, value-focused proposals and project delivery. In essence, it is about shifting from a transactional approach to a more partnership-oriented approach with industry – a shift that aligns with best practices and the Department’s own goals of fostering innovation and resilience in the Defence industrial base.

DECNet and the roundtable participants appreciate the opportunity to provide this feedback. We remain available to discuss these findings further and to support Security and Estate Group in implementing positive changes. The upcoming DECNet roundtables will continue to explore related topics, and we will similarly consolidate and share those insights. Together, through open dialogue and willingness to adapt, **Defence and industry can achieve a more efficient, fair, and successful procurement system**.

Appendices

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Appendix A – Roundtable 1 Attendance (8 May 2025)

The following individuals attended and contributed to DECNet Roundtable 1: Tender Transparency and Panel Selection Processes. *(Roles are listed for context; all participants attended in an unofficial capacity under Chatham House Rule.)*

- **Darian Macey** – (Roundtable facilitator and DECNet consultant)
- **Simon Neilsen** – (Construction Contractor)
- **Mike Rinaudo** – (Construction Contractor)
- **Jessica Lew Fatt** – (Construction Contractor)
- **Rod Smyth** – (Construction Contractor)
- **Leann Webb** – (Defence Advisory)
- **Mark Stevens** – (Defence Advisory)
- **Amin Wasseh** – (Project Management)
- **Craig Shaw** – (Defence Advisory)
- **Andrew Rolley** – (Construction Contractor)
- **Rachel Turner** – (Engineering Consultancy)
- **Rob Sansbury** – (Engineering Consultancy)
- **Taylaa Morris** – (Construction Contractor)
- **Aelita Miller** – (Industry Association)
- **Anthony Esposito** – (Defence Advisory)
- **Ian Leaver** – (Engineering Consultancy)
- **Todd McLaren** – (Engineering Consultancy)
- **Phil Downie** – (Asset Manager and ICT Solutions Provider)
- **Stephen Edwards** – (Defence Advisory)
- **Giacomo Carfi** – (Technology Supplier)
- **John Biondo** – (Technology Supplier)
- **Toby George** – (Project Management and Engineering Consultant)

(Note: Additional attendees included an online meeting room and an AI notetaker, which are omitted above. A total of 24 participants were logged, including these system presences.)

Appendix B – Annotated Whiteboard Summary

The collaborative Miro whiteboard from the roundtable captured participants' inputs in real time. Below is an **annotated summary of key sections of the board**, which visually illustrates many points discussed in this report. Each coloured cluster represents one discussion area (Green for Transparency observations, Pink for Communication, Yellow for Evaluation, Blue for Other/Structural issues, etc.), with example quotes or notes on virtual "sticky notes." Dotted lines and arrows indicate impact linkages identified, and the lower quadrant shows the categorisation of **Quick Wins vs Medium Term vs Long Term actions**.

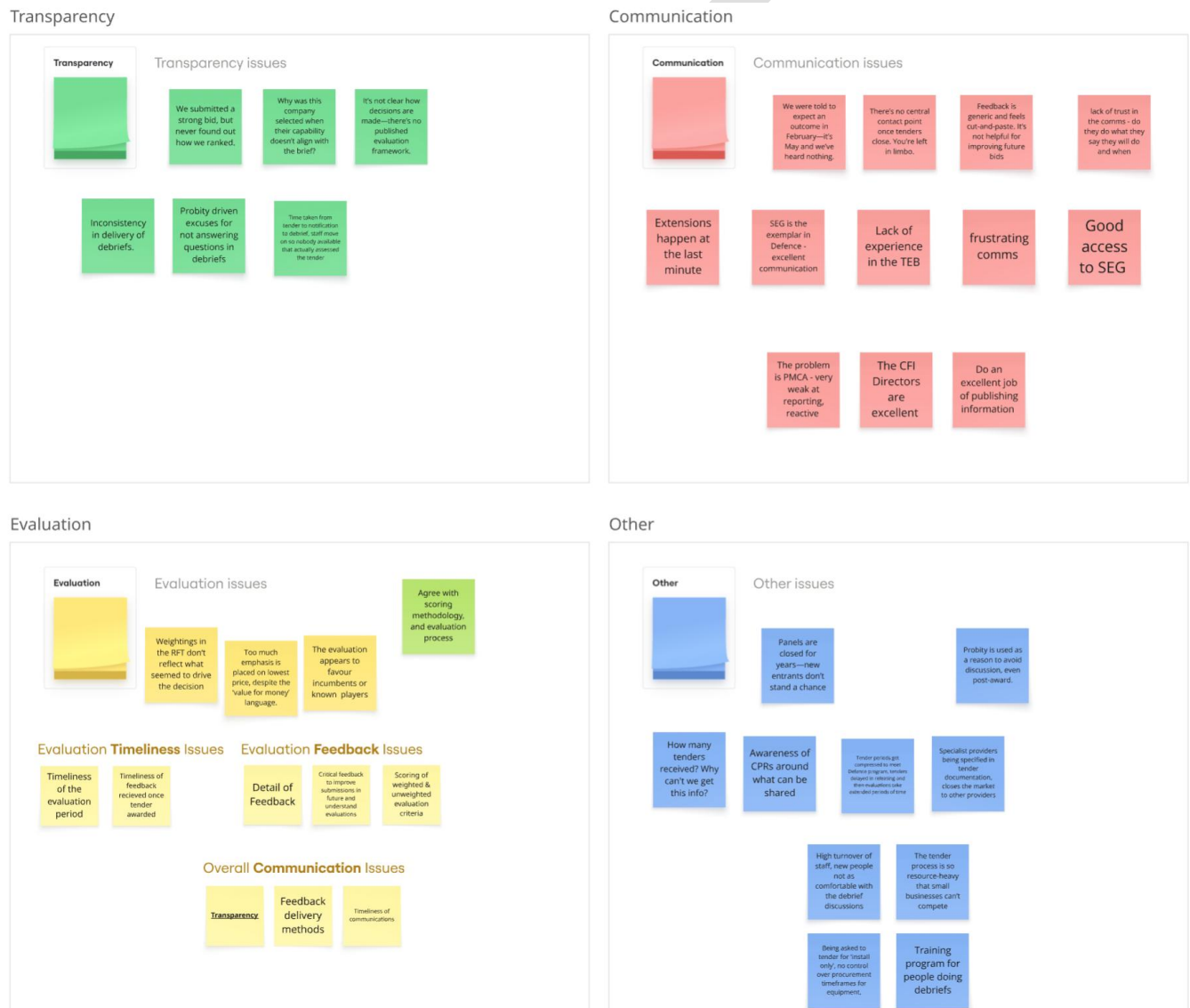


Figure 1. Extract from the roundtable's Miro board, highlighting key issue categories (Transparency, Communication, Evaluation, Other) and comments under each.

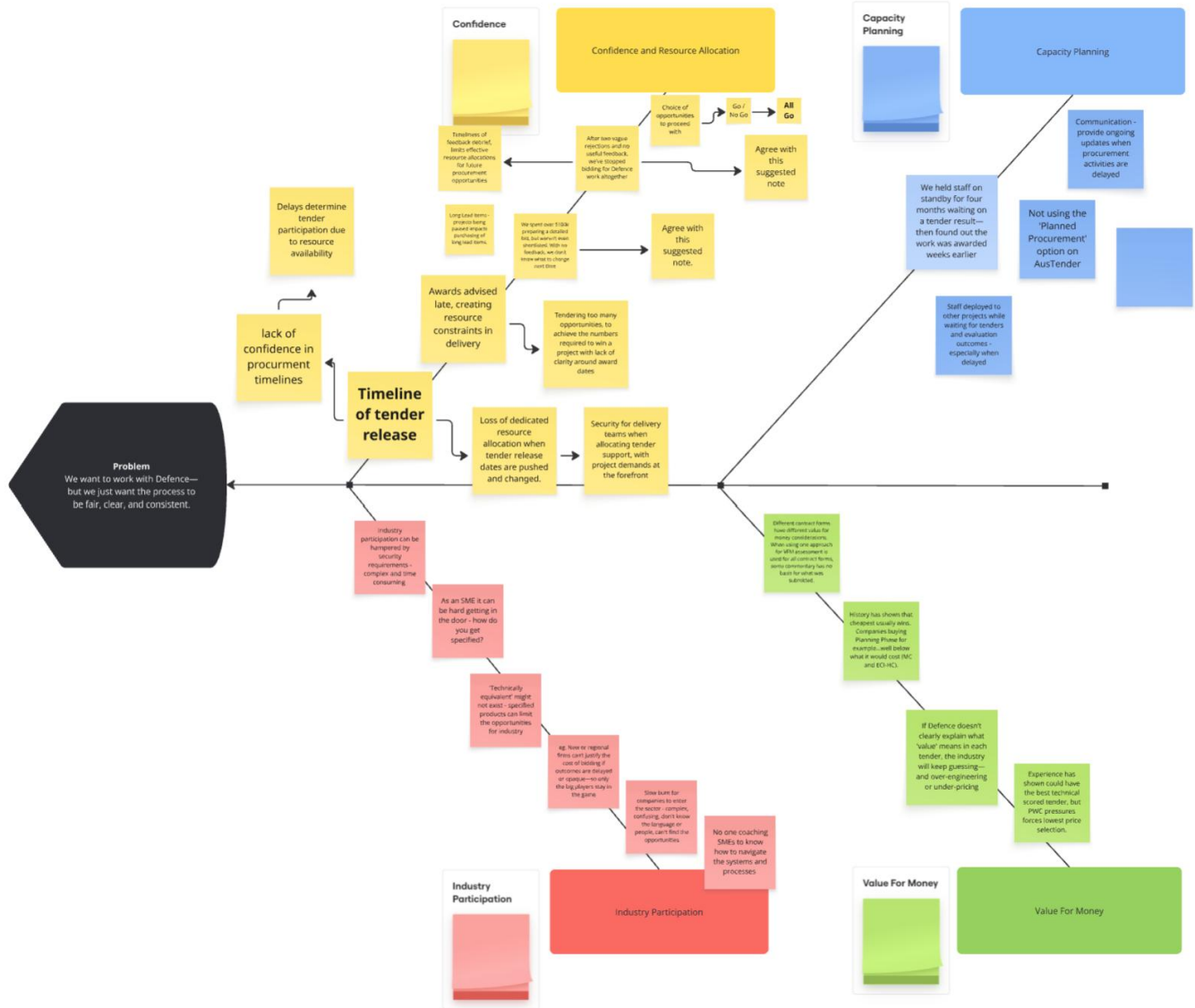


Figure 2. Impact Mapping from DECNet Roundtable 1, illustrating how identified issues in Defence tender and panel selection processes directly affect industry confidence, capacity planning, industry participation, and value for money.

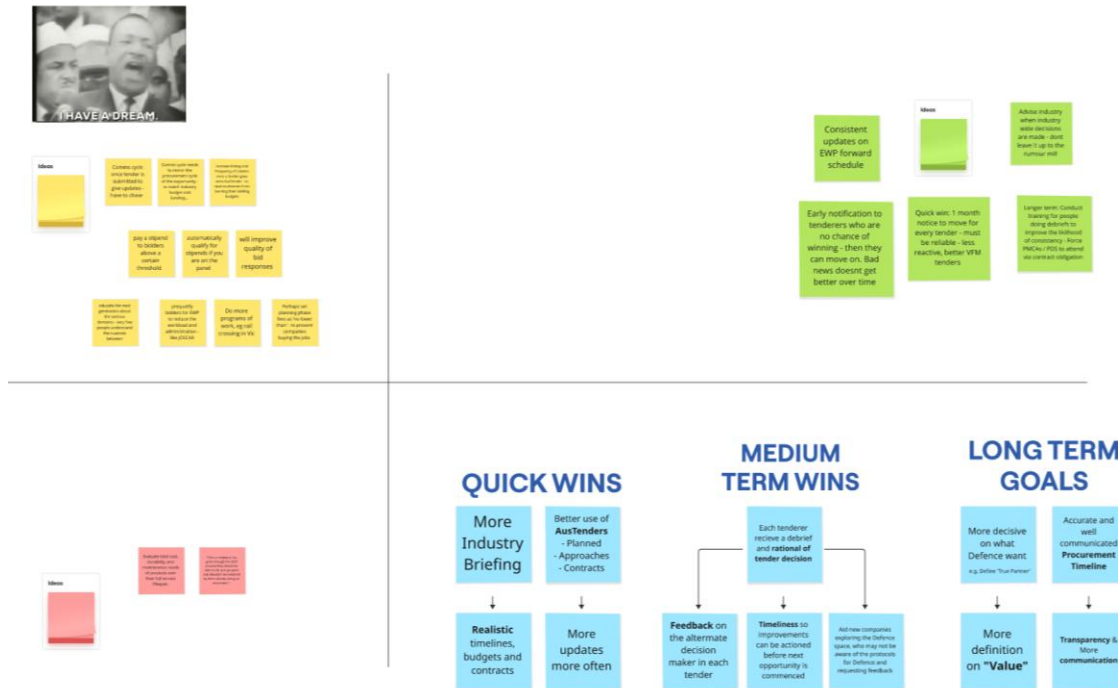


Figure 3. Consolidated vision of an ideal Defence tendering process as articulated by four breakout groups during DECNet Roundtable 1. Each colour represents a separate group's discussion, with recommendations organised into Quick Wins, Medium Term Wins, and Long Term Goals, reflecting industry's unified perspective on achievable improvements.

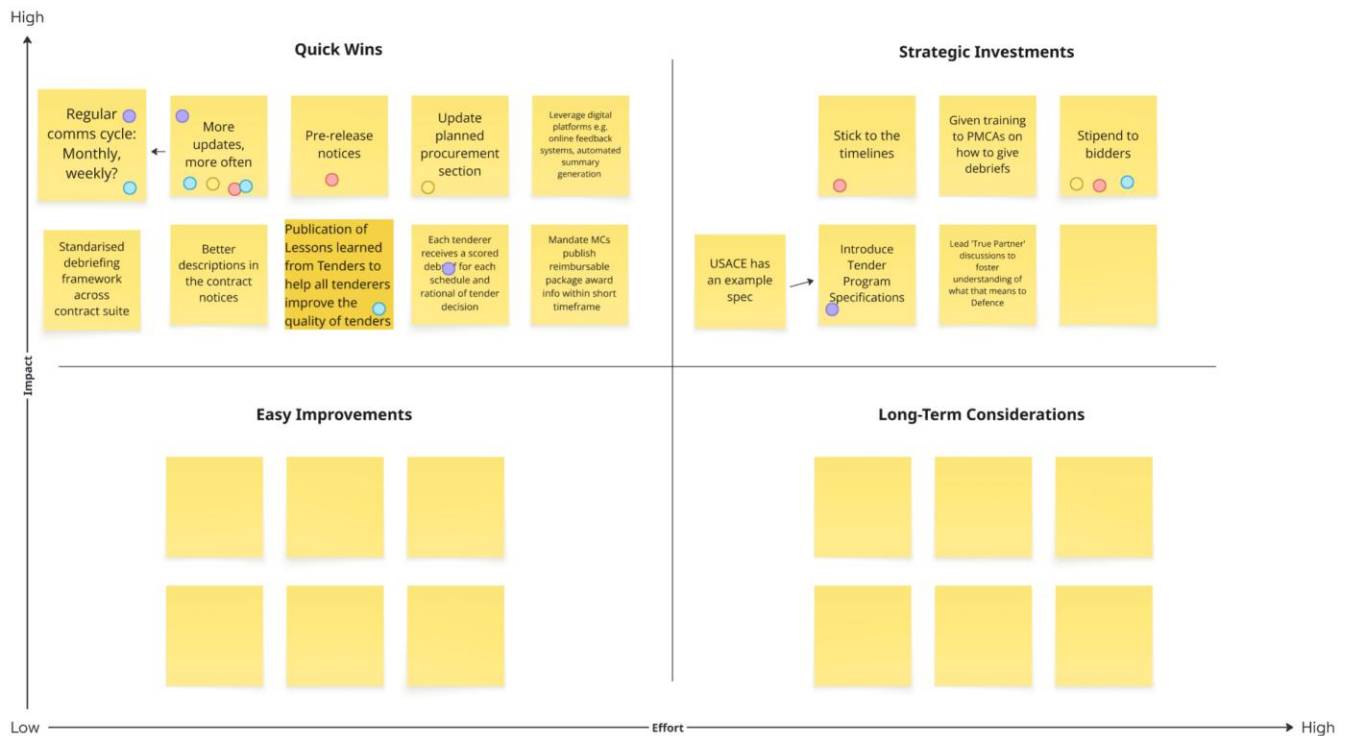


Figure 4. Action-oriented recommendations from DECNet Roundtable 1, categorised by impact and effort required. Quick Wins represent immediate opportunities for improvement, Strategic Investments identify higher effort but impactful initiatives, while Easy Improvements and Long-Term Considerations offer additional paths for enhancing Defence tender processes.

End of Report

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