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FUNDING NATIONAL SUPPORT BASE RESILIENCE

PRIVATE FINANCE PATHWAYS FOR
DEFENCE SUPPORT AND LOGISTICS INFRASTRUCTURE

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Dear reader,

This white paper addresses a narrow but now unavoidable question: how does Australia fund the national support base that Defence will rely on during crisis or conflict?

The answer is not to pretend private capital can replace public defence funding. That is the usual policy sleight of hand, and it will not survive contact with superannuation trustees, lenders, the Department of Finance or Defence operational control requirements.

The more useful argument is that selected support and logistics assets can be privately financed where Defence can define an output, pay for availability, protect priority access, and allow sensible civilian use in peacetime. The opportunity is real. It is also narrower than the slogans suggest.

This paper sets out a practical funding framework for selected national support base assets. Appendix A includes a detailed candidate evaluation report covering ten potential opportunities.

The paper draws on public-source material and the NT Defence Week presentation by Major General Jason Walk. It does not rely on classified material. Several project-specific assumptions should be verified against current Defence, AusTender and relevant state records before market action.

Kind regards,

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Executive Summary

Australia's defence funding problem is shifting from the acquisition of platforms to the resilience of the system that keeps platforms operating. The national support base - infrastructure, industry, workforce and critical materiel - is now a practical component of deterrence, not a background economic condition.

Major General Jason Walk's NT Defence Week presentation made the central point clearly: Defence cannot build operational resilience alone. It will depend on civilian infrastructure, industry capacity, workforce allocation and stock assurance across Commonwealth, state, territory, local and private-sector systems. He also identified private finance as attractive but unresolved, especially in support and logistics where assets can have dual-use value. [1]

The strongest private finance candidates are support and logistics assets where Defence can define an output, preserve sovereign control and allow limited dual-use or contracted revenue. Project names alone are not enough. Each candidate must be reduced to a bankable service: available beds, fuel throughput, warehouse capacity, repair output, camp readiness, port access or maintained logistics capacity.

This paper argues that private finance should be used selectively, mainly where Defence can buy assured access, availability, throughput, readiness or surge capacity. It should not be used as a budget trick or as a way to conceal underfunded national security requirements.

The immediate funding opportunity is not a generic private capital program. It is a disciplined pipeline of bankable support and logistics pilots. The strongest first-wave candidates are Facilities to Support Theatre Logistics Work Packages 2.4 and 2.6, JP 8218 deployable camp infrastructure under a standing capacity model, selected LAND 8710 facilities, a tightly scoped RAAF Learmonth or broader north-west fuel availability model, and a conditional Defence/US offtake model for Gascoyne Gateway near Exmouth.

Accommodation projects such as ADFA and Randwick are bankable in conventional PPP terms, but they are weaker national support base pilots unless Defence can show that they release capital, improve retention, or unlock operational posture. Fuel and naval sustainment projects such as Chowder Bay and Captain Cook Graving Dock are strategically important, but their private finance suitability is limited because they are single-user, security-sensitive and difficult to commercialise. HMAS Stirling causeway duplication may be strategically sensible, but it is not yet a defined public Defence requirement and should not be treated as a finance-ready project.

Key findings

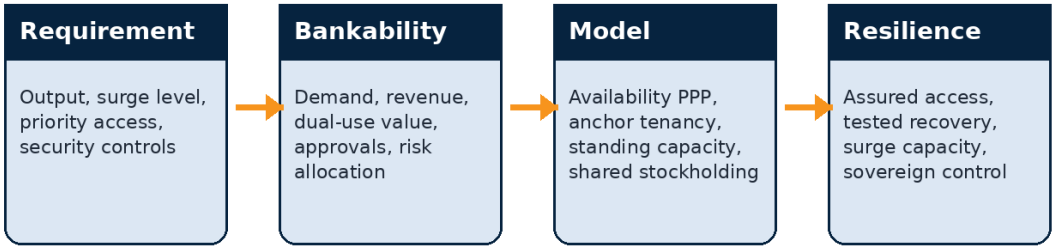
- Private finance is not new funding. It brings capital forward and changes risk allocation, but Defence still needs a payment stream.
- The bankable unit is not a project name. It is an output: available beds, litres stored or moved, tonnes handled, warehouse capacity, repair throughput, camp readiness, berth access or mobilisation response time.
- Support and logistics are the best lane because many assets have civilian utility and can be structured around availability, standing capacity or anchor-tenancy models.
- Dual-use value matters, but only where Defence has enforceable priority rights in crisis. Commercial use without mobilisation control is not resilience.
- The first pilots should be small enough to price, exercise and audit. Defence should not try to launch a broad private finance program before it has standard clauses for step-in, security, foreign ownership, data, cyber, termination and compensation.
- The policy test is simple: if Defence cannot define the required service level clearly enough for an investor to price it, the project is not ready for private finance.

Core thesis

Core thesis

Australia should use private finance for selected national support base assets only where Defence can convert resilience into a priced service: assured access, tested availability, mobilisation rights and measurable recovery or surge outputs. The best opportunities sit in support and logistics. The worst use case is pretending private capital can make unfunded Defence requirements disappear.

Funding architecture for national support base resilience



Core warning

Private finance does not remove the public funding task. It only works when Defence converts resilience into a priced service with clear payment, activation, step-in and performance rules.

Figure 1. Funding architecture for national support base resilience. Source: DECNET analysis.

01 Strategic context

National Defence makes the support base operational

The 2026 National Defence Strategy and Integrated Investment Program reinforce self-reliance, sovereign industrial resilience, civil preparedness and national resilience. The IIP allocates around $425 billion over the decade and identifies alternative financing as one of the tools to deliver Defence investment where it is feasible and provides value for money. [2][3][4]

That policy direction sits squarely with MAJGEN Walk's NT Defence Week argument. He described Defence operations as inextricably integrated with the national support base and framed the support base around four factors: infrastructure, industry, workforce and critical materiel. [1]

The practical point is not abstract. Defence may own platforms, bases and stocks, but it relies on civilian roads, ports, airfields, utilities, fuel chains, construction labour, health systems, telecommunications, commercial warehousing and private maintenance capacity. In a protracted crisis, that dependency becomes deeper, not shallower. [1]

The funding task is larger than the Defence estate

The Defence Estate Audit has already found that the estate must be consolidated, rationalised and divested where it no longer aligns with future capability priorities, with proceeds retained by Defence and reinvested in Defence priorities. [5] This is relevant, but estate recycling alone will not fund national support base resilience.

The larger task is to fund resilience in systems that Defence may not own: logistics precincts, regional fuel chains, port and airfield upgrades, deployable infrastructure supply chains, off-base utilities and industry surge capacity. These are not conventional Defence capital works. They sit in the grey zone between public infrastructure, defence logistics and commercial service markets.

That grey zone is where private finance can help. It is also where poorly defined projects become expensive, delayed and politically exposed. The Commonwealth has a mature national PPP framework for infrastructure and service delivery, but Defence resilience projects require additional controls for mobilisation, security, classified assumptions, sovereign control and adversary risk. [6]

What MAJGEN Walk's presentation changes

Support factor	Funding implication
Infrastructure	Dual-use airfields, ports, roads, rail, power, water and communications can provide redundancy, dispersion and surge capacity.
Industry	Defence will need more industry support in conflict: higher equipment availability, faster repair, storage, distribution, base support and infrastructure restoration.
Workforce	Defence and industry will compete for finite skilled labour. The aim should be best use of the national workforce, not simply putting more people in uniform.
Critical materiel	Stockpiling everything is unaffordable. Defence needs to hold bridging stock and assure production, storage and distribution through industry.
Investment challenge	Private finance is attractive, particularly for support and logistics, but Defence and investors must convert national security requirements into bankable models.

02 Bankability framework

A Defence support project is not financeable because it is strategically important. It is financeable because the cash flows, risk allocation and control rights can be priced. The following bankability screen should be applied before any project is taken to market.

No.	Criterion	Test
1	Defined service output	Defence can describe the output it is buying: beds, litres, tonnes, throughput, storage, repair rate, availability or activation time.
2	Contracted revenue	Payments are predictable enough for lenders and equity investors: availability payments, readiness fees, anchor tenancy, minimum revenue guarantees or take-or-pay offtake.
3	Dual-use potential	The asset can earn civilian revenue in peacetime without compromising Defence priority access.
4	Mobilisation rights	Defence can reserve, surge, redirect, step in or take priority use during defined conditions.
5	Security and sovereignty	Ownership, personnel, cyber, data, supply-chain and foreign control rules are clear before procurement.
6	Lifecycle assurance	Maintenance, testing, exercising and readiness reporting are built into the contract, not left as afterthoughts.
7	Approval maturity	Planning, environmental, heritage, land, port, road, airspace and community risks are sufficiently known to price.

Score interpretation

Score	Meaning	Action
8-10	Pilot-ready or near pilot-ready	Proceed to structured market sounding and commercial model design.
6-7.5	Potential candidate	Useful but needs requirement definition, site resolution, commercial packaging or demand certainty.
4-5.5	Limited candidate	Use private delivery, O&M or separable packages, but avoid broad concession-style finance.
Below 4	Poor candidate	Keep as public capital or standard procurement unless the requirement changes materially.

Candidate portfolio map

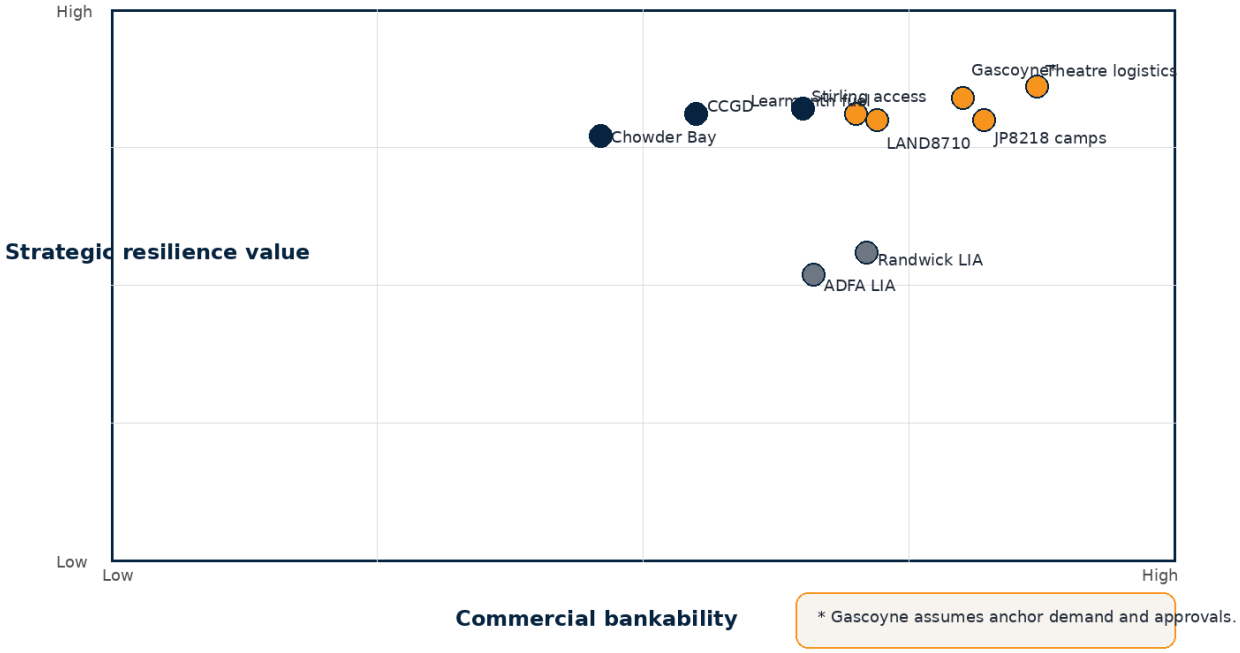


Figure 2. Candidate portfolio map. Source: DECNET analysis.

03 Commercial models

The commercial model should follow the service requirement. Defence should not force every candidate into a PPP label. The better approach is a model menu, with each project tested against its actual output and revenue profile.

Model	Description	Best use	Not for
Availability PPP / DBFM	Privately finance, design, build and maintain an asset; Defence pays for availability and performance.	Accommodation, airfield support, logistics facilities, utilities, selected roads.	High-security assets with no definable output or where public debt is clearly cheaper.
Defence anchor tenancy	Defence commits to baseline access or capacity, supporting private finance while allowing commercial use.	Warehousing, fuel, logistics precincts, maintenance facilities, regional accommodation.	Assets requiring exclusive Defence control at all times.
Standing capacity contract	Industry is paid to keep latent capacity ready, with activation payments when Defence calls it forward.	Deployable camps, maintenance depots, transport fleets, construction plant, fuel operators.	Permanent single-site infrastructure where ownership matters more than readiness.
Fuel availability / shared stockholding	Industry holds, rotates or manages fuel and related stocks while Defence buys assured access and priority drawdown.	Fuel storage, distribution and regional supply chains.	Specialised stocks with no commercial market or security-sensitive munitions.
Common-user precinct	Government and private users share logistics, port, hardstand, warehousing or maintenance assets with Defence priority rights.	Ports, marine precincts, industrial estates, logistics hubs.	Where Defence cannot tolerate commercial co-tenancy or disclosure.
Public ownership, private O&M	Defence funds and owns the asset, but contracts long-term operation, maintenance, asset management and readiness outputs.	Captain Cook Graving Dock, Chowder Bay, sensitive base utilities.	Cases where balance-sheet treatment is the main motivation.

The clauses that decide whether a model is credible

- Priority access triggers: who can activate Defence priority use, under what conditions and for how long.
- Step-in rights: when the Commonwealth can take control, and how the investor is compensated.
- Readiness testing: periodic exercises that prove the asset or service works under surge conditions.
- Security and cyber: DISP, physical security, foreign ownership, data handling and operational security controls.
- Termination: what happens if national security use permanently changes the asset's commercial value.
- Pricing transparency: a clear split between construction cost, financing cost, lifecycle maintenance and resilience premium.

04 Portfolio assessment

Appendix A provides the full candidate evaluation report. The summary position is below.

Rank	Candidate	Score	Likely model	Assessment
1	Facilities to Support Theatre Logistics WP2.4/WP2.6	8.5	Defence anchor tenancy / logistics real estate availability PPP	Best first pilot
2	JP 8218 Deployable Camp Infrastructure	8.0	Standing capacity contract	High value if readiness metrics are clear
3	Gascoyne Gateway near Exmouth	8.0*	Private port with Defence/US priority access and offtake	High-upside; depends on anchor demand and approvals
4	LAND 8710 facilities	7.0	Common-user maritime facilities / Defence anchor tenancy	Facilities yes; landing craft finance weak
5	RAAF Learmonth fuel storage	7.0	Fuel availability / throughput model	Good if linked to regional fuel chain; weaker as pure on-base tanks
6	Randwick Barracks LIA	7.0	Accommodation PPP	Bankable but not first-wave resilience
7	ADFA LIA	6.5	Campus accommodation availability PPP	Bankable but weak dual-use
8	HMAS Stirling causeway duplication	6.5	Road availability PPP if requirement is proven	Strategically plausible; not finance-ready
9	Captain Cook Graving Dock upgrade	5.5	Public ownership with private O&M/separable DBFM	Do not broad-concession
10	Chowder Bay fuel upgrade	4.5	Public capital plus O&M; possible off-site shared stockholding	Poor private finance fit

* Gascoyne Gateway receives an 8.0 score only if Defence or US demand is contracted and priority access, security and approvals are resolved. Without an anchor offtake, it should be treated closer to 5/10.

First-wave candidates

- Facilities to Support Theatre Logistics WP2.4 and WP2.6: the cleanest pilot because warehousing, storage, maintenance and logistics support can be measured, leased and contracted.
- JP 8218 deployable camp infrastructure: strong standing capacity candidate if Defence specifies readiness, activation, sustainment and exercise requirements.
- LAND 8710 facilities: finance the enabling facilities and precinct capacity, not the landing craft as military platforms.
- North-west fuel availability: start with Learmonth/Gascoyne/Exmouth fuel-chain modelling rather than treating on-base tankage as the only asset.
- Gascoyne Gateway: conduct a Defence/US/industry market test, but do not call it a solution until anchor demand and environmental approvals are in place.

Second-wave or conventional candidates

- ADFA and Randwick LIA should be considered under conventional accommodation PPP or DHA-style models, but they should not distract from logistics and fuel pilots.
- Chowder Bay and Captain Cook Graving Dock should remain public-control assets with private operation, maintenance or separable design-build-finance-maintain packages where appropriate.

- HMAS Stirling access should first become a defined Defence and WA infrastructure requirement. Private finance can follow only after the operational requirement, traffic problem, heavy-vehicle standard and resilience target are explicit.

05 Recommended funding pathway

Create a National Support Base Financing Framework

Defence should not wait for a perfect whole-of-nation model. It should build a practical framework that can triage candidates and run pilots. The framework should sit between capability planning, estate planning, logistics planning, Finance, Treasury and state/territory infrastructure agencies.

Step	Element	Action
1	Demand model	Define peacetime, exercise, crisis and conflict support demands for selected mission chains.
2	Bankability screen	Score each requirement against output clarity, revenue, dual-use value, mobilisation rights, security and approvals.
3	Commercial templates	Develop standard clauses for availability, priority access, activation, step-in, security, cyber, data, termination and compensation.
4	Pilot pipeline	Select 3-5 pilots that are narrow enough to price and exercise.
5	Market sounding	Test investor appetite before locking scope. Include super funds, infrastructure funds, logistics operators, port owners, fuel companies and construction financiers.
6	Readiness audit	Exercise each asset or service before claiming resilience. Measure output, not paperwork.

Recommended first tranche

Pilot	Candidate	Scope
Pilot 1	Theatre Logistics WP2.4/WP2.6	Availability/anchor-tenancy model for warehousing, storage, hardstand, maintenance and logistics facilities at Henderson and Berrimah/Robertson.
Pilot 2	JP 8218 standing capacity	Readiness fee plus activation fee for three scalable 1,500-person camp packages and deployable maintenance depot capacity, subject to public validation of capacity.
Pilot 3	North-west fuel availability	Assess Learmonth plus regional commercial fuel options, including Gascoyne Gateway if viable, to buy assured storage, rotation, distribution and drawdown.
Pilot 4	LAND 8710 facilities	Market test common-user maritime and landside facilities in NT, north Queensland and southeast Queensland with Defence priority access.
Pilot 5	Accommodation capital release	Use ADFA or Randwick only if Defence can show capital release, retention benefit or posture value that justifies private financing cost.

Implementation roadmap

Timeframe	Action	Outcome
0-90 days	Define the funding problem	Select three mission chains: theatre logistics, deployable camps, and regional fuel. Confirm ownership, demand, output metrics and security constraints.
3-6 months	Market sound	Run structured investor and operator soundings. Test availability payments, anchor tenancy, standing capacity and shared stockholding structures.

6-12 months	Pilot design	Develop business cases, commercial templates and risk allocation positions. Engage Finance, Treasury, state governments and relevant port/fuel/logistics operators.
12-24 months	Procure pilots	Launch no more than three pilots. Use clear performance metrics and readiness testing requirements.
24+ months	Scale only what works	Expand the model only after pilots prove bankability, delivery performance, mobilisation rights and value for money.

Recommendations for Defence

No.	Recommendation	Action
D1	Stop talking about private finance in generic terms	Define service outputs and minimum demand for each candidate before approaching investors.
D2	Create standard mobilisation clauses	Develop pre-approved priority access, step-in, security, compensation and termination positions.
D3	Separate assets from services	Buy availability, throughput, capacity and response time, not just buildings or tanks.
D4	Start with logistics pilots	Prioritise theatre logistics, deployable camps and regional fuel before accommodation.
D5	Exercise funded resilience	Require annual activation or degraded-mode tests for every standing capacity or availability contract.

Recommendations for investors and industry

No.	Recommendation	Action
I1	Do not pitch patriotism	Pitch bankable cash flows, contracted demand, asset utilisation and risk allocation.
I2	Bring operators, not just capital	Defence will need logistics, fuel, engineering, camp, port and maintenance operators attached to funding proposals.
I3	Price step-in honestly	Assume Defence will need crisis control. Make compensation and activation mechanics explicit.
I4	Avoid speculative site capture	Sites such as Cairncross, Middle Arm, East Arm and Gascoyne Gateway need planning, environmental, security and community diligence before investment claims are credible.
I5	Build local sustainment	A financed asset that relies on fly-in maintenance does not solve national support base resilience.

06 Risks and controls

Risk	Consequence	Control
Budget fantasy	Private finance is presented as a way to avoid Defence spending.	Require a transparent payment stream and value-for-money test.
Weak demand definition	Investors price uncertainty heavily or refuse to bid.	Publish service outputs, availability requirements and demand bands.
Security and classification	Investors cannot perform due diligence; Defence cannot disclose assumptions.	Use controlled disclosure, standard security packs and classified annexes.
Step-in ambiguity	Defence cannot guarantee crisis control without creating investor uncertainty.	Pre-negotiate step-in rights, compensation and restoration obligations.
Community and environmental risk	Projects such as Exmouth or port precincts stall despite strong strategic logic.	Treat approvals, Traditional Owner engagement and environmental offsets as bankability issues, not process issues.
Cost of capital	Private finance is more expensive than public borrowing.	Use it only where delivery speed, lifecycle discipline, commercial revenue or risk transfer offsets the premium.
Contractor capture	One operator controls critical support capacity with weak contestability.	Use open-book pricing, benchmarking, break rights and interoperability standards.
False resilience	Assets exist but are not tested under stress.	Mandate readiness exercises and performance reporting.

07 Conclusion

The national support base is now part of Australia's defence posture. That makes funding resilience a capability question, not an accounting question.

Private finance can help, but only in the narrow places where Defence can define the service output, pay for availability or readiness, protect sovereign control, and allow enough dual-use or contracted revenue to make the asset bankable. The strongest opportunities sit in theatre logistics, deployable camp capacity, regional fuel assurance and selected common-user maritime facilities.

The weakest path is to chase private finance because the public budget is under pressure. That will produce over-engineered procurement, high financing costs and fragile contracts. Defence should instead start with a few testable pilots, prove that private capital can deliver support outputs under mobilisation conditions, and scale only the models that survive operational and financial scrutiny.

The hard test is not whether a project sounds strategic. It is whether Defence can write the requirement clearly enough for a lender, investor and operator to price it - and clearly enough for Defence to activate it when the system is under pressure.

Appendix A Private Finance Candidate Evaluation Report

This appendix evaluates ten candidate projects or work packages against the bankability framework used in the body of the paper. Scores are judgement-based and use public information, DECNET analysis and stated assumptions where public sources are incomplete.

Important qualification

Several project details are not confirmed in public sources, including the 3 x 1,500-person JP 8218 scale, the exact status of ADFA post-2024 IIP prioritisation, site options for LAND 8710 facilities, the EST02092 reference for Chowder Bay/Captain Cook Graving Dock, and the scope of any HMAS Stirling causeway duplication. They are treated as assumptions, not established facts.

A.1 Summary ranking

Rank	Candidate	Score	Recommended model	Verdict
1	Facilities to Support Theatre Logistics WP2.4/WP2.6	8.5	Defence anchor tenancy / logistics real estate availability PPP	Best first pilot
2	JP 8218 Deployable Camp Infrastructure	8.0	Standing capacity contract	High value if readiness metrics are clear
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4	LAND 8710 facilities	7.0	Common-user maritime facilities / Defence anchor tenancy	Facilities yes; landing craft finance weak
5	RAAF Learmonth fuel storage	7.0	Fuel availability / throughput model	Good if linked to regional fuel chain; weaker as pure on-base tanks
6	Randwick Barracks LIA	7.0	Accommodation PPP	Bankable but not first-wave resilience
7	ADFA LIA	6.5	Campus accommodation availability PPP	Bankable but weak dual-use
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9	Captain Cook Graving Dock upgrade	5.5	Public ownership with private O&M/separable DBFM	Do not broad-concession
10	Chowder Bay fuel upgrade	4.5	Public capital plus O&M; possible off-site shared stockholding	Poor private finance fit

A1. Australian Defence Force Academy Live-In Accommodation

Private finance rating: 6.5 / 10

Conventional accommodation PPP candidate. Useful if it releases Defence capital or improves retention, but it is not the best national support base resilience pilot.

Public record and working assumptions

- The Parliamentary Standing Committee on Public Works considered the ADFA LIA proposal in 2024. Public material describes replacement of end-of-life LIA, health and operational hazards, and capacity issues. [9][10]
- Working assumption: the project was subsequently de-prioritised following the 2024 IIP. That status should be verified against current Defence capital programming before any market action.
- The asset is single-user, campus-based accommodation. It has limited civilian revenue and limited dual-use value.

Private finance assessment

- The output is easy to define: available rooms, maintenance standards, security, lifecycle condition and resident services.
- Investor appetite should exist if Defence provides a long-term availability payment and clear lifecycle obligations.
- The private finance case is weaker than logistics because there is little peacetime commercial revenue and no obvious mobilisation uplift beyond personnel accommodation.

Preferred commercial model

A 25-35 year design-build-finance-maintain accommodation PPP with availability payments, lifecycle maintenance, resident service standards and Defence security controls.

Risk	Control
No dual-use revenue	Do not pretend commercial revenue exists. Price the PPP as a Defence availability payment.
Retention benefit hard to prove	Link the business case to Defence people outcomes, not just asset condition.
Scope volatility	Lock room standards, lifecycle obligations and expansion rights before market.

Recommendation

Keep as a conventional PPP candidate, not a first-wave national support base funding pilot. Defence should only revive it if the people, retention and capital-release case is stronger than competing logistics projects.

A2. JP 8218 Deployable Camp Infrastructure

Private finance rating: 8.0 / 10

Strong standing capacity candidate. The model should buy readiness and activation capacity, not simply inventory ownership.

Public record and working assumptions

- Defence tender material refers to Joint Project 8218 Deployable Theatre Infrastructure and market engagement on deployable camp solutions, sustainment networks and rapid delivery capacity. [11]
- The 3 x 1,500-person camp requirement plus deployable maintenance depots should be validated against the current Defence requirements baseline.
- The requirement aligns closely with MAJGEN Walk's point that Defence will rely on industry support for base support, deployed locations, accommodation and agility. [1]

Private finance assessment

- This is one of the clearest standing capacity cases: Defence can pay industry to maintain deployable camps, stores, plant, trained personnel and activation pathways.
- The asset may have some civilian disaster relief or remote workforce use, but Defence priority access must override any commercial deployment.
- The key risk is readiness theatre: equipment is nominally available but cannot be moved, erected, powered, watered, secured or sustained at the required tempo.

Preferred commercial model

A standing capacity contract with readiness payments, mobilisation exercises, activation payments, refurbishment payments and defined call-out windows. Industry can own or manage the camp packages, but Defence must control priority access and configuration standards.

Risk	Control
Availability without deployability	Test mobilisation annually, including transport, erection, utilities, maintenance and demobilisation.
Commercial use conflicts	Write strict Defence priority and recall rights into every contract.
Workforce bottlenecks	Contract trained deployment teams, not just equipment stock.

Recommendation

Proceed as a first-wave pilot. It is exactly the kind of support-output requirement private finance and private operation can support if Defence prices readiness properly.

A3. LAND 8710 Littoral Manoeuvre Capability

Private finance rating: 7.5 / 10 overall; 5 / 10 for vessel leasing

Facilities are the private finance opportunity. The stronger model is a dual-use maritime support node where Defence buys reserved capacity, priority access and activation rights rather than owning the site or leasing the vessels.

Public record and working assumptions

- Public announcements confirm LAND 8710 is acquiring medium and heavy landing craft, with medium craft to be built by Austal and heavy craft to be built at Henderson. [13][14]
- The 2026 IIP refers to additional infrastructure in the Northern Territory and southeast and north Queensland to support Army's littoral manoeuvre capabilities and enable logistics vessels to be loaded and unloaded. [3][16]
- Defence has established the Littoral Manoeuvre Group in Brisbane, with the Queensland element creating a South-East Queensland basing, loading, training and sustainment problem rather than only a vessel acquisition problem. [15]
- Cairncross Dockyard is a plausible South-East Queensland candidate because it offers a large Brisbane River maritime industrial site with potential for graving dock, ship lift, hardstand, wharfage, heavy fabrication and commercial vessel sustainment. Specific Defence selection should not be assumed unless Defence confirms it. [33][34]
- Middle Arm, East Arm and north Queensland options remain relevant for northern posture, but they solve different parts of the theatre logistics problem: staging, loading, maintenance, dispersed support and redundancy.

Private finance assessment

- The stronger private finance opportunity is not the LAND 8710 vessels themselves, but the support infrastructure required to operate and sustain them: berths, hardstand, ramps, dock or ship lift access, workshops, secure zones, laydown, utilities, fuel interfaces and deployable maintenance support.
- Cairncross, or an equivalent Brisbane River site, could be structured as a privately financed, dual-use South-East Queensland Littoral Support Node. Defence would not need to buy the site. Instead, it would buy long-term assured access to defined support capacity, with priority, activation and step-in rights under agreed readiness conditions.
- The site would remain commercially active in peacetime, supporting vessel sustainment, fabrication, tug, barge, ferry and offshore services work. This commercial revenue would help carry the asset, while Defence's availability payments would provide the bankable revenue floor.

Preferred commercial model

A dedicated project vehicle would develop and operate the facility, backed by the site owner, infrastructure equity, lenders, a shipyard operator, a maintenance partner and delivery contractors.

Defence would enter a Defence Capacity Reservation Agreement, not a simple lease. The agreement would reserve nominated berthing, docking, hardstand, workshop, laydown, security and support capacity.

The payment model should include:

• annual availability payments for reserved capacity
• use-based charges for actual Defence activity
• activation payments where Defence displaces commercial work
• separate government contributions for enabling infrastructure where justified

Queensland's role should be to support approvals, utilities, workforce development and common-user infrastructure. It should not be asked merely to subsidise a private dockyard.

Risk	Control
Defence discomfort with non-ownership	Use secure zones, reserved capacity, priority access and step-in rights.
Investor demand risk	Create a revenue floor through availability payments and commercial use.
Requirement uncertainty	Run a funded 90-day joint technical and commercial development phase.

Recommendation

Defence should fund a 90-day joint development phase to test whether a South-East Queensland Littoral Support Node can be privately financed. That work should define required outputs, concept layout, cost bands, risk allocation, commercial revenue assumptions, contract structure and activation rights.

A4. Gascoyne Gateway near Exmouth

Private finance rating: 8.0 / 10 with anchor demand; around 5 / 10 without it

High-upside dual-use port and logistics candidate. It is not a solution until Defence/US demand, approvals and priority access are contracted.

Public record and working assumptions

- EPA WA describes Gascoyne Gateway Ltd as proposing to build, own and operate a multipurpose marine complex in Exmouth servicing vessels including Defence and marine supply vessels. [17]
- The proponent describes the project as a veteran-founded, privately funded and operated, Australian-owned public unlisted company developing a multi-user deep-water port facility and renewables hub on the North-West Cape. [18]
- EPA consultation material identifies a development including a single access jetty, onshore strategic port land, renewables precinct, desalination infrastructure and fuel storage. [17]
- Environmental risk is material. Exmouth Gulf has been publicly described by the EPA process and community sources as environmentally sensitive, with cumulative pressure concerns. [19]

Private finance assessment

- This is the purest dual-use private finance candidate in the list because the proponent already intends private funding and mixed customers.
- Its defence value depends on whether it can provide theatre logistics, berth access, fuel, hardstand, warehousing, regional distribution and US/ADF support in the north-west.
- The project will not be bankable on Defence rhetoric. It needs anchor offtake, priority access rights, secure operating areas, environmental approvals and defined interfaces with Learmonth, Exmouth and regional logistics routes.

Preferred commercial model

A private port and logistics concession with Defence/US anchor offtake, priority berth and hardstand rights, fuel availability arrangements, secure zones, commercial co-use and activation rights. Defence should buy outputs, not the whole project.

Risk	Control
Approval and community risk	Treat environmental and Traditional Owner/community pathways as core finance risks.
No anchor demand	Secure Defence, US DoD or other government offtake before calling it investable.
Security-commercial tension	Define secure areas, data controls, vessel scheduling, cyber and foreign-ownership constraints early.

Recommendation

Conduct a structured Defence/US/industry market test. This is a strong candidate, but only with anchor demand and approvals. Without those, it remains a strategic idea, not a bankable solution.

A5. RAAF Learmonth fuel storage

Private finance rating: 7.0 / 10

Good candidate only if treated as part of a regional fuel availability and distribution model. Pure on-base tankage is less suitable for private finance.

Public record and working assumptions

- Public tender material for RAAF Base Learmonth identifies new Defence Fuel Installation works, including additional aviation fuel capacity, quality-control tankage, offloading/dispensing and control systems, plus diesel fuel infrastructure. [21]
- PWC material on the Defence Fuel Transformation Program states the broader program aims to reduce risk to the Defence fuel network and supply chain. [20]
- The tender status should be treated as time-sensitive and checked directly in AusTender before publication or market action.

Private finance assessment

- Fuel is strategically important and measurable: storage volume, quality, drawdown, throughput, replenishment time and distribution resilience.
- A private finance model is hard to justify if the asset is entirely on-base, single-use and security-sensitive. Public capital plus private O&M may be cleaner.
- The stronger private finance opportunity is a north-west fuel availability system linking Learmonth, commercial storage, Gascoyne Gateway, road distribution, rotation and priority drawdown.

Preferred commercial model

Use a fuel availability and throughput contract where commercial infrastructure can hold, rotate or distribute fuel. For on-base DFI works, use public capital with long-term private O&M and performance-based availability requirements.

Risk	Control
Single-user on-base asset	Use public capital unless there is a separable commercial storage/distribution component.
Fuel quality and safety	Set strict quality, inspection, environmental and emergency response obligations.
Regional distribution fragility	Model roads, tankers, drivers, port access, stock rotation and emergency access.

Recommendation

Do not assess Learmonth in isolation. Assess it as part of a north-west fuel resilience package. That package could be one of the strongest private finance pilots if it includes commercial rotation and Defence priority drawdown.

A6. Chowder Bay fuel upgrade

Private finance rating: 4.5 / 10

Operationally important but a poor broad private finance candidate. Use public capital and private O&M, with possible off-site shared stockholding elsewhere in the Sydney fuel chain.

Public record and working assumptions

- Garden Island fuel system material identifies fuel offload and storage as a key operational issue and describes a single cope point as a single point of failure that could severely limit base operations. [22]
- Defence project material for Garden Island Stage Two includes fuel, wharf, engineering service and offsite service upgrades. [22]

Private finance assessment

- The resilience need is real, but the asset is single-user, security-sensitive and constrained by Sydney Harbour, heritage, environment and operational limits.
- There is little obvious peacetime commercial revenue from a Defence maritime fuel installation at Chowder Bay.
- Private-sector value is more likely in design, construction, operation, maintenance, asset management and potentially commercial fuel chain support away from the base.

Preferred commercial model

Public capital for the core upgrade, with performance-based O&M and asset management. Explore shared stockholding or priority drawdown arrangements at commercial facilities elsewhere in the Sydney supply chain if operationally viable.

Risk	Control
False bankability	Do not force a PPP where there is no commercial revenue or risk transfer.
Heritage/environment constraints	Resolve statutory risks before commercial packaging.
Single point of failure	Fund redundancy and alternative replenishment, not just tank refurbishment.

Recommendation

Keep as a public-control resilience project. Private finance should be limited to separable service packages, not ownership or concession-style finance over the strategic fuel asset.

A7. Randwick Barracks Living-In Accommodation

Private finance rating: 7.0 / 10

Bankable accommodation PPP candidate, but the public record points to 991 units, not the 1,990-person requirement cited in the prompt.

Public record and working assumptions

- Defence announced industry engagement in 2021 for 991 new contemporary live-in accommodation units at Randwick Barracks. [23]
- AusTender material described a procurement to finance, design, construct, commission, maintain and operate 991 LIA units. [23]
- Bundock Housing material states that the Sydney LIA project proposing 991 single-bedroom units at Randwick Barracks was reprioritised after the 2023 Defence Strategic Review and would not proceed at that time. [24]
- The 1,990-person figure may reflect a broader or earlier requirement, but it was not confirmed in the public sources reviewed.

Private finance assessment

- This is more bankable than ADFA because a PPP procurement pathway was already contemplated and the output is straightforward.
- It remains a weak first-wave resilience candidate unless Defence can show direct posture, naval accommodation or retention benefits in Sydney.
- Sydney land and planning sensitivities can create political risk and delay, but accommodation PPP risk allocation is familiar to the market.

Preferred commercial model

A long-term accommodation PPP or DHA-style lease/availability model, potentially with expansion rights and lifecycle maintenance obligations. Defence should retain access/security controls and avoid speculative third-party revenue assumptions unless they are real.

Risk	Control
Capacity mismatch	Validate the current requirement before market engagement.
Planning/community sensitivity	Engage Randwick Council, residents and planning authorities early.
Policy reprioritisation	Do not revive unless the post-DSR/IIP priority is clear.

Recommendation

Keep as a second-wave candidate. It is a good PPP project if Defence wants accommodation, but it should not outrank logistics, deployable camps or fuel resilience.

A8. Captain Cook Graving Dock upgrade

Private finance rating: 5.5 / 10

Strategically critical, but not a natural private finance concession. Private involvement should focus on operation, maintenance, asset management and separable upgrade packages.

Public record and working assumptions

- Defence and Plan Galileo material state that Thales Australia was appointed as Dock Operations and Reticulated Services contractor for the Captain Cook Graving Dock at Garden Island from 1 December 2023. [26][27]
- Public reporting described the DORS contract as a five-year contract to operate and maintain the dock, supporting the RAN fleet and a Sydney ship repair workforce. [26]
- The EST02092/design-negotiation reference and current design status should be verified before publication.

Private finance assessment

- The dock is a strategic national naval sustainment asset. It is too important and too single-user for broad private ownership or concession-style finance.
- There is private-sector value in performance-based O&M, asset management, digital condition monitoring, reticulated services and separable upgrade components.
- A private finance premium is hard to justify unless the package includes clear delivery acceleration or lifecycle performance transfer.

Preferred commercial model

Public ownership with long-term private O&M and asset management. Consider design-build-finance-maintain only for separable systems such as pumps, caissons, reticulated services, energy resilience or digital dock systems where outputs are measurable.

Risk	Control
Strategic control	Keep ownership and operational control with the Commonwealth.
Single-user revenue	Avoid private finance unless availability payments are justified by delivery or lifecycle benefits.
Interface complexity	Separate dock operations, naval scheduling, security and construction risk clearly.

Recommendation

Do not sell this as a private finance showcase. Use private-sector discipline, but keep the asset under public control.

A9. HMAS Stirling causeway duplication

Private finance rating: 6.5 / 10 if requirement is proven; not finance-ready today

Strategically plausible but not currently a defined public project. The first task is proving the operational requirement, not selecting a finance model.

Public record and working assumptions

- HMAS Stirling is central to Submarine Rotational Force - West, with UK and US nuclear-powered submarines expected to operate from as early as 2027 and major infrastructure upgrades underway. [28][29]
- Public material confirms significant HMAS Stirling infrastructure activity, including berths, emergency response, shore power, training and logistics-related works. [28][29]
- Main Roads WA road planning material recognises HMAS Stirling access planning but states that Defence had not provided specific resilience/redundancy requirements for new road infrastructure in the material reviewed. [30]
- The operational case for duplication is plausible, but public evidence is not yet sufficient to treat it as a defined project.

Private finance assessment

- A duplicated or upgraded access route could be financeable as road infrastructure if Defence, WA and Commonwealth agencies define the required standard, resilience target, heavy vehicle demand and user/payment model.
- However, road PPPs require strong traffic or availability payment logic. There is unlikely to be conventional toll revenue.
- The strategic risk is access fragility. The bankability risk is that the requirement is not yet owned by a public sponsor with a funded payment stream.

Preferred commercial model

If the requirement is validated, use a Commonwealth-WA-Defence availability road/bridge DBFM or conventional public works model with private finance only if lifecycle delivery and risk transfer justify the premium.

Risk	Control
No defined requirement	Secure formal Defence resilience and heavy-vehicle requirements before market sounding.
No toll revenue	Use availability payments, not speculative user charging.
Multi-jurisdictional interface	Create a joint Defence-WA governance structure before procurement.

Recommendation

Do not rank this as finance-ready. Treat it as a strategic access problem needing a business case. Private finance can be assessed after Defence states the requirement.

A10. Facilities to Support Theatre Logistics WP2.4 and WP2.6

Private finance rating: 8.5 / 10

Best first pilot. This is the cleanest match between Defence resilience need and bankable support/logistics infrastructure.

Public record and working assumptions

- Defence portfolio budget material lists Facilities to Support Theatre Logistics Work Package 2.4 and Work Packages 2.1/2.6, with the projects proposing logistics enabling facilities supporting storage, warehousing, maintenance and personnel. [31]
- Industry briefing material identifies WP2.4 at Henderson WA and WP2.6 at Berrimah/Robertson Barracks NT, including storage, warehousing, distribution, lift and maintenance-related facilities. [32]
- Defence has separately signed a 10-year, $1.5 billion Defence Theatre Logistics contract with Toll Remote Logistics covering warehousing, national distribution and retail store services across Defence. [12]

Private finance assessment

- The output is measurable: square metres, pallet positions, climate-controlled storage, hardstand, distribution throughput, vehicle/oversized stock handling, lift capability, availability and response times.
- The assets can potentially sit within logistics real estate models familiar to investors, especially if Defence is an anchor tenant and commercial or allied users can be accommodated where security permits.
- This candidate aligns directly with national support base resilience: it supports storage, distribution, maintenance, personnel and theatre logistics in locations relevant to northern and western operations.

Preferred commercial model

A Defence anchor tenancy or availability PPP for logistics real estate, potentially integrated with the Defence Theatre Logistics operating model. Use long-term lease/availability payments, lifecycle maintenance, surge rights and security controls. Consider common-user capacity where Defence priority is protected.

Risk	Control
Mismatch with DTL operator	Align facility design with Toll/Defence theatre logistics processes and information systems.
Security versus commercial use	Separate secure zones from common-user logistics space.
Scope creep	Pilot a defined facility package before scaling across the estate.

Recommendation

Proceed as the best first-wave private finance pilot. If Defence cannot make this bankable, it will struggle to make more complex national support base projects bankable.

Appendix B Model clauses and evaluation checklist

B.1 Model clause checklist

Clause area	What must be settled
Service output	Define the measurable output, minimum standard, reporting interval and acceptance test.
Availability payment	Specify how payment is reduced for non-availability, degraded condition or failed mobilisation test.
Standing capacity	Define equipment, workforce, stock, spares, deployment time and refresh obligations.
Activation	Specify who can activate, notice periods, priority rules and payment consequences.
Step-in	Define triggers, Commonwealth powers, investor compensation and hand-back condition.
Security	Set DISP, clearance, cyber, data, physical security, foreign ownership and subcontracting requirements.
Civilian use	Allow peacetime commercial use only where it does not compromise Defence readiness or priority access.
Testing	Mandate practical activation, surge or degraded-mode exercises and require lessons to be implemented.
Termination	Set termination for convenience, national security change, prolonged step-in and default.

B.2 Evaluation checklist

- Can Defence state the service output in a single sentence?
- Can the output be measured without revealing classified operational assumptions?
- Is there a predictable payment stream or commercial revenue?
- Does the asset have genuine dual-use value?
- Can Defence take priority access in crisis without destroying the investor's economics?
- Can step-in, security and cyber obligations be priced?
- Is the asset useful if commercial users disappear during crisis?
- Can the asset or service be tested annually?
- Does private finance provide value above public capital plus private O&M?
- Is the project sponsor willing to pay the resilience premium?

Appendix C Source list

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[19] WA EPA / Exmouth Gulf public review materials and community/public reporting on cumulative environmental pressures in Exmouth Gulf.

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[23] Department of Defence and AusTender, Randwick Barracks LIA industry engagement and REOI material, 2021-2022.

[24] Bundock Housing, 'About', Randwick / Sydney LIA reprioritisation statement, https://www.bundockhousing.com.au/about

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