



MEDIA RELEASE

THE HON DR BRENDAN NELSON

Minister for Defence

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FINANCIAL CLOSURE ACHIEVED FOR \$300 MILLION HQJOC PROJECT

I am pleased to announce that financial close has been achieved with Praeco Pty Ltd for the construction and operation of the new Headquarters Joint Operations Command (HQJOC) facility to be built near Bungendore, NSW.

Achieving financial close paves the way for intensified design planning for the facility, with the aim of work starting on site by October 2006.

Under the private finance arrangements, Defence will pay Praeco an Annual Service Payment which will commence after the facility is commissioned in late 2008. The first full-year payment will be \$39.99m, commencing in 2009-10.

The Annual Service Payment represents the cost to Defence of the buildings and infrastructure and the cost of the range of services provided by Praeco such as access control, cleaning, administrative and clerical support, and waste removal and maintenance services over the 30 year term.

The private financing arrangements have been assessed to provide better value for money for the Commonwealth than traditional procurement.

Defence has retained responsibility for the procurement, installation and maintenance of the command, control, communications, computing and intelligence (C4I) systems for the facility. Five short-listed companies have been invited to respond to the Request for Tender (RFT) for the C4I Prime System Integrator contract for the Project. The RFT was released on 14 August and will close on 18 September 2006. Contract signing is expected in mid November this year.

Achieving financial close for the Project culminates the successful completion of intensive contract negotiations leading to the contract finalisation on 30 June, 2006.

This represents another important milestone since Praeco, a consortium comprising Leighton Contractors Pty Limited and ABN AMRO Australia Limited, was announced as the preferred tenderer on 30 May 2006.

I am pleased to note that the Project remains on course for Defence staff to commence to occupy the new facility towards the end of 2008, providing

Defence with its first fully integrated, strategic and operational level command and control headquarters.

I would like to thank the Member for Eden-Monaro, the Hon Gary Nairn, for his energy and commitment in support of this project.

For more information, including artists' impressions of the new HQJOC facility, go to: <http://www.defence.gov.au/id/hqjoc/>

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