

**Joint Committee of Public Accounts and Audit**

**QUESTIONS ON NOTICE – COMMITTEES**

**JCPAA Defence Major Projects Hearing – 13 March 2013**

**Sustainment of Capability Report**

**Ms Brodtmann asked on Wednesday 13 March 2013 Hansard page 2.**

Ms BRODTMANN: I take that point. It is just that we are seeing a large amount of money invested in this area and given the age of the capability that we have at the time the shift is definitely, as you have acknowledged, moving in that direction. I understand that it is signalling our preparedness with particular capability, but can you continue to look at ways of improving the transparency on sustainment? As you know—and I have raised it before—we had those issues a few Christmases ago with the ships being ready for deployment and they were not. I am keen to draw out, acknowledging those sensitivity constraints, as much information as we can. It is early days in terms of your thinking on this and in terms of your reporting on it—I understand that—but if we can actually try to get a bit more depth to the information and a bit more detail that would be useful, acknowledging the constraints you are under.

Mr King: We can certainly undertake to do that.

Ms BRODTMANN: Okay, because it is a large amount of money and it will become increasingly so.

Mr King: I agree entirely.

**Response:**

To undertake a major review along the same lines as the Major Projects Report would prove difficult. The MPR is examining projects which have a defined cost, a defined scope and a defined completion date. The delivery of sustainment to the ADF is about maintaining a level of service to meet preparedness requirements within a given funding level. The culmination of this information is classified and therefore can not be published or discussed publicly.

However, to provide increased visibility into sustainment Defence will expand its current reporting in the Portfolio Budgets Statements (PBS) and Annual Report from the Top 20 to the Top 30 Sustainment Products. The number at 30 is consistent with the number of projects examined in the Major Projects Report and the Top 30 Major Capital Projects disclosed in the PBS and Annual Report.

By increasing the number of sustainment products to 30 will provide visibility of 77 per cent of the current \$4.2 billion expenditure on sustainment.