

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2012-2013

Finance and Deregulation Portfolio

Department/Agency: ASC Pty Ltd

Outcome/Program:

Topic: Project List of concerns

Senator: Johnston

Question reference number: F72

Type of question: Written

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Number of pages: 2

Question:

In June 2009 the Minister for Defence and Minister for Defence Materiel announced reforms to the Project List of Concern. In it, they stated in relation to current projects on the list that: 'The Defence Materiel Organisation (DMO) and Industry will develop formal remediation plans for all projects that undergo Gate reviews.

In the case of projects confirmed as Projects of Concern, these plans will:

- identify remediation objectives;
- identify key milestones and the timeline for their achievement; and
- detail an end-state for remediation and the agreed basis on which a project will be removed from the Project of Concern list.

Where DMO and Industry cannot agree a satisfactory remediation strategy, DMO will provide formal advice to Government on whether the project should be cancelled.'

- a) Please provide a list of identified ASC related remediation objectives for the Collins program.
- b) Please identify key ASC related milestone and the time lines for their achievement
- c) Please provide a detailed end state for remediation and the agreed basis on which Collins will be removed from the Project of Concern List.

Answer:

- (a) ASC is working to the overriding remediation objectives of reducing platform sustainment costs and increasing material ready days.
- (b) ASC advises that its focus is on reducing cost and increasing material ready days and to this end, there is a vast array of activities in place toward achieving these outcomes. These include:
 - Reduction in labour hours due to efficiency improvements;

- Benchmarking ASC's performance on a global scale;
 - A programme of continuous organisational review and improvement; and
 - Implementation of the findings of the first phase of the Coles Report.
- (c) The key determinant in deciding to remove CN10 (COLLINS Sustainment) from the Projects of Concern list will be whether submarine availability consistently and reliably meets or exceeds Navy's expectations.