



AUSTRALIAN SENATE

STANDING COMMITTEE ON RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

2 August 2013

Mr John McCormick
Director of Aviation Safety
Civil Aviation Safety Authority
GPO Box 2005
Canberra ACT 2601

Via email: john.mccormick@casa.gov.au

Dear Mr McCormick,

You will be aware that the committee asked for cost details of CASA's IT surveillance management tool known as Sky Sentinel at Senate Estimates in May 2013. At the time you undertook to respond to the committee before the conclusion of the hearing. The committee notes that this did not occur.

Due to the upcoming election and prospect that the committee will not hold Estimates hearings until February 2014, the committee would like more immediate responses to the Sky Sentinel questions asked at Estimates as well as a number of related questions. Accordingly and pursuant to the committee's power to inquire into the performance of departments and agencies under Standing Order 25(2)(a), the committee requests that CASA respond to the enclosed questions by COB 19 August 2013.

Please note that it is not the committee's intention to publish this correspondence nor the responses received, however you should be aware that it is within the power of the committee to do so.

If the committee were to decide to publish your responses, the committee if practicable, inform you in advance of the proposed publication and give you a reasonable opportunity to object to the disclosure. The committee would give careful consideration to any objection you raise before making its final decision.

You should also be aware that the rules of the Senate allow for senators, in certain circumstances, to refer to such information to support any dissent made to a committee report. When such circumstances arise, the party who provided the evidence is consulted and objections considered before proceeding.

If you require any further information, please contact the committee secretary Mr Tim Watling on 02 6277 3511.

Yours sincerely,

Senator Glenn Sterle
Chair

cc. Mr Mike Mrdak , Secretary Department of Infrastructure and Transport



Australian Government
Civil Aviation Safety Authority

OFFICE OF THE DIRECTOR OF AVIATION SAFETY

Trim Ref: SE13/2

16 August 2013

Senator Glenn Sterle
Chair
Senate Rural and Regional Affairs
and Transport Legislation Committee
Parliament House
CANBERRA ACT 2600

Dear Senator Sterle

Questions relating to Sky Sentinel

I refer to your letter dated 2 August 2013 forwarding further questions relating to the acquisition of the Sky Sentinel surveillance management tool, the subject first being raised at the May 2013 hearing of Senate Estimates.

Your letter requested a response to the Committee by 19 August 2013. As the questions arise from an Estimates hearing, in the interests of consistency I consider the submission of responses to these questions (the preparation of which CASA has well in hand) should proceed in the same manner as do other replies to questions from Senate Estimates hearings, that is, through the Department of Infrastructure and Transport and the portfolio Minister's Office, for transmittal to the Committee.

I have copied this letter to Mr Mike Mrdak, Secretary of the Department of Infrastructure and Transport.

Yours sincerely

John F. McCormick
Director of Aviation Safety

cc Mr Mike Mrdak, Secretary, Department of Infrastructure and Transport

CASA's response to Questions from Committee regarding Sky Sentinel

Q1. When was the in-house IT Audit Work System (hereafter referred to as Sky Sentinel) first approved as a project?

6 October 2011.

Q2. Who made the assessment that Sky Sentinel was suitable, mature and scalable?

CASA operational, technical and IT staff conducted assessments of the suitability, maturity and scalability of AWS. CASA also obtained external legal advice in preparation for the possible purchase of AWS software.

Informed by the assessments conducted, CASA determined AWS was flexible enough to work with the holistic approach to IT tools that CASA was working towards establishing.

Q3. Was the advice of the CASA Chief Information Office sought prior to this decision being taken?

Yes.

Q4. How did CASA decide on the value of the IP in determining the payment to the CASA employee?

The value of the IP was determined through two proposals provided to CASA by the CASA employee. CASA accepted the second proposal consistent with CASA's procurement processes.

Q5. What due diligence was conducted by CASA to establish the source of IP in the product purchased from their employee?

CASA IT staff performed due diligence on the IP in the software and CASA also engaged the services of an external provider to undertake a software comparison between AWS and Pentana PAWS.

The Contract of Sale also included confirmation from the CASA employee that the source code used to develop AWS was created by him and did not reproduce proprietary source code from any other software program.

Q6. When the proposal came forward, did the Risk and Quality Assurance Section or Chief Information Officer raise any concerns?

Yes.

Q7. If so, who made the decision to proceed and how were those risks addressed?

The Director of Aviation Safety approved the purchase of the AWS software on 18 February 2011.

CASA's Strategic Priorities Committee made determinations on further budget requirements for the Sky Sentinel project.

The security issues raised by the CIO were addressed through reengineering of the database from MS Access to SQL database and changing the code language.

The risk assessment concerns raised by the Risk and Quality Assurance Section were addressed through the Sky Sentinel Project Proposals put forward to CASA's Strategic Priorities Committee.

The IP question has been addressed in Q5.

Q8. The US Government GAO Cost Assessment Guide (July 07) highlights the propensity for internal Government IT programs to run over budget.

- **How much was originally allocated to the Sky Sentinel program?**

Description	Cost
Purchase of Software & IP	\$35,750
Sky Sentinel Technical Implementation (recode)	\$220,000
Total Sky Sentinel Platform	\$255,750

- **Have there been any additional applications for funding?**

Yes.

- **If so, how many and how much was approved after each request?**

Technical Implementation variations total: **\$801,646**

Variation
#1 \$80,000
#2 \$185,680
#3 \$180,050
#4 \$222,440
#5 \$133,476
Total: \$801,646

Variations were due to the need to undertake the development of training packages, technical documentation, rectify risk and security issues and additional IT costs.

- **How much is the total funding allocation to the Sky Sentinel project to date?**

Sky Sentinel Platform \$1,057,396

Entire Program allocations

Project	Allocation	Actual
Business Implementation	\$367,867	\$ 236,347
Development and Implementation of new surveillance approach	\$1,415,175	\$1,182,989
Sky Sentinel Platform (as noted above)	\$1,057,396	\$1,027,848
Total Program Cost	\$2,840,438	\$2,447,184

- **Did all decisions pertaining to the contracts, funding and reporting comply with the CAC Act (1997) and whole of Government ICT investing principles?**

Yes decisions pertaining to the contracts, funding and reporting complied with the CAC Act (1997). CASA is not part of the Whole-of-Government ICT Investment Principles as they only apply to *Financial Management and Accountability Act 1997* agencies.

Q9. When did CASA contract with Pentana for the PAWS system?

2 October 2008.

Q10. Who made the assessment that Pentana PAWS was not suitable?

CASA operational, technical, IT staff conducted assessments of Pentana PAWS. CASA also utilised the contract and procurement section in relation to existing Pentana contracts and the legal advice obtained as mentioned in the response to Q5.

From the assessments conducted, the Director of Aviation Safety determined Pentana PAWS was not suitable as a platform for CASA's surveillance purposes.

Q11. Was the CASA employee responsible for developing Sky Sentinel involved in the evaluation of PAWS?

Yes.

Q12. When was the assessment made not to continue with the Pentana PAWS system?

December 2010.

Q13. Who made the decision to cancel PAWS and proceed with the in house solution?

The Director of Aviation Safety - see responses to Q2 and Q10 above.

Q14. Given Pentana PAWS successful use by Air Services Australia, what were the specific reasons to cancel PAWS?

CASA's review of Pentana PAWS showed the system could not be modified to meet CASA's surveillance needs within reasonable costs and timeframe. Pentana at that time was an audit tool rather than a risk assessment tool and was not compliant with the relevant international standard ISO3100. When CASA purchased PAWS from Pentana in October 2008 the contract prevented CASA from modifying the software.