



Australian Government
Department of Defence
Capability Acquisition and
Sustainment Group

Reference No: B1674534

15 June 2018

Ms Lyn Beverley
Secretary
Senate Foreign Affairs, Defence and Trade Committee
Parliament House
CANBERRA ACT 2600

Dear Lyn,

I write to clarify evidence that I gave at the hearing for Budget Estimates held on 29 and 30 May 2017 concerning AIR5431 Phase 3 Civil Military Air Traffic Management System (CMATS), referred to as OneSKY. In particular the response that I gave to Senator Gallacher's question on page 11 of the Wednesday, 30 May 2018 transcript.

The breakdown of the \$243 million Real Cost Increase (RCI) is \$187 million cash budget and \$56 million notional contingency. Of the \$187 million budget, \$64 million is for the CMATS On-Supply Agreement (OSA) and \$29 million for Defence's CMATS site preparation costs outside of the OSA. The remaining budget increase is for related Defence delivered activities including a radio transition solution, life-of-type extension for the existing Defence Air Traffic System, and a minor increase for Air Force operating budget during transition.

I apologise for any misunderstanding that may have arisen.

Yours sincerely

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FASJS

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