

**Joint Committee of Public Accounts and Audit**  
Answers to Questions on Notice

**Department/Agency:** Australian National Audit Office

**Topic:** Inquiry into the 2018-19 Defence Major Projects Report and the Future Submarine Project – Transition to Design (Auditor-General's Reports 19 and 22 (2019-20))

**Date of Hearing:** 20 May 2020

**Committee Member:** Senator Rex Patrick

**Type of question:** Hansard, 20 May 2020, Page 18

**Date set by the committee for the return of answer:** 3 June 2020

**Number of pages:** 1

**Question:**

**Senator PATRICK:** *This question is to the Auditor-General. I just want to go back to a statement made by Mr Sammut earlier in evidence where he basically suggested that the system requirements review had a contracted milestone date of October 2019, which was entered into on 5 December. In your answers to my questions on notice you said that the system requirements review did not have a required commencement date. That is the opposite of what Mr Sammut said. You went on to say: 'The required completion date was 31 October 2019.' So there's a conflict in evidence here: Mr Sammut is saying there are contracted entry dates; you are saying that there are contracted completion dates.*

**Mr Hehir:** *Yes.*

**Senator PATRICK:** *So, how do we resolve that?*

**Mr Hehir:** *I think we should have a conversation with the Department of Defence. I'm not certain we can resolve it—*

**Senator PATRICK:** *Maybe we don't resolve that online now, but could you take it on notice to have that conversation with Defence and provide the committee with an agreed answer.*

**Mr Hehir:** *Yes.*

**Answer:**

The evidence underpinning ANAO reporting of the date for completion for the Systems Requirements Review was the Submarine Design Contract. The Delivery Schedule in the Submarine Design Contract listed 31 October 2019 as the 'successfully exited' date for the Systems Requirements Review milestone. Further, Annex 1 to Attachment D of the contract states that the milestone is 'FS SRR(DEF) (successfully exited)', which we understand to mean: Systems Requirements Review (successfully exited). Annex 1 also specifies entry and exit criteria for this milestone. The ANAO also reviewed correspondence between Defence and Naval Group in the lead up to this milestone.

The ANAO notes that some other mandated system review dates are contractually expressed as entry dates.

The Department of Defence was consulted on this advice to the Committee.