

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: Sustainment Performance

Senator: Johnston

Question reference number: F77

Type of question: Written

Date set by the committee for the return of answer: Friday, 6 July 2012

Number of pages: 2

Question:

In the opening address to the committee, Mr Ludlam states,

‘One of the key ways that we will assess our performance going forward is through benchmarking. By using information from a range of open sources and applying our knowledge of submarine sustainment and operation, we are developing data to benchmark our performance on a global scale, through comparing the dollar spend per tonne and nautical miles sailed across a range of submarine classes. I believe this measure is appropriate because it accounts for both complexity, which drives the scope of maintenance, and usage ... What our preliminary analysis shows is that the Collins class sustainment cost is at the lower end of the range when compared in this manner.’

Please provide details of the data used to support this statement to the Senate.

Answer:

ASC uses the \$/tonne/distance travelled metric to compare sustainment costs for different western submarines.

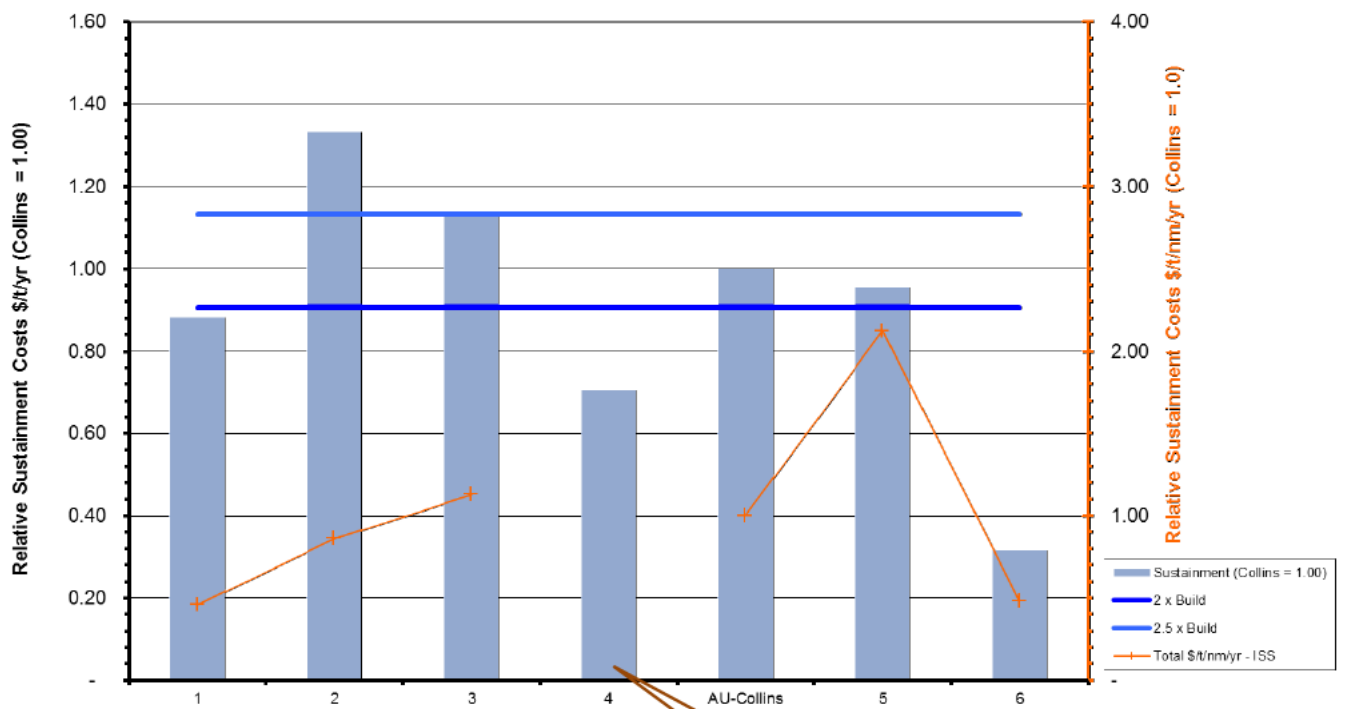
This is a useful metric, due to variations in maintenance costs driven by usage and the size of the platform being sustained, to allow an ‘apples to apples’ comparison. A large submarine operating half way around the world, as the Collins Class does, will require more maintenance than a smaller submarine operating in the Baltic or Mediterranean seas. In order to compare costs equitably, data points driven by the differences in size and usage must be normalised.

Attachment A to this response provides a preliminary comparison of a variety of comparable submarine sustainment costs.

ASC Pty Ltd

Preliminary Comparison of Comparable Submarine Sustainment Costs

Submarine fleet cost \$/t/year (2012)
(in-service maintenance, refits & upgrades)



No 'distance travelled' data available